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THE ECONOMICS OF ASIAN MINORITIES

By Ze'ev Abramowitz

It was the Jewish economists who first revealed to the world the existence of a paradoxical economic structure which they called the economy of the "inverted pyramid." This was typical of the Jewish economic structure and it had, apparently, no parallel anywhere else in the world. How did this unstable and paradoxical economy come into being? These same Jewish economists thought that its origin lay in the situation of the Jews as a people without a territorial basis, as a national minority scattered among other peoples and subject to the effects of national competition under difficult conditions. If, however, this structure was peculiar only to the Jews would it not be more reasonable to relate it to some special traits of the Jewish people? There were, as a matter of fact, some attempts to label the Jews, and particularly the Jews, as the bearers of the "capitalist spirit" or the "commercial spirit."

In 1931, however, a census of the population of Palestine was carried out. The summaries of the census included statistics on the occupations of the population divided according to communities. An analysis of these statistics revealed that the economic structure of the Christian Arabs was reminiscent of that of the Jews in Europe. The Christian Arabs are a minority which is not concentrated upon a single territory but scattered among the Moslem majority.

The economic structure of the Palestine Arab population (wage-earners) was as follows: (1931)

Occupation	Moslems	Christians	Arab Christians
	(In percentages)		
Agriculture	63.5	14.6	16.5
Industry and craft	10.9	25.1	26.8
Transport	5.9	7.2	8.1
Commerce	8.0	10.3	11.7
Free professions	1.6	9.8	11.1
Public services	2.0	15.7	4.4
Domestic service	2.3	8.1	9.2
Non-productive and unknown	5.8	9.2	11.8

Commerce, the free professions and the public services therefore employed 27% of all wage-earners among the Christian Arabs (if we deduct the "unknowns"—more than 30%), compared to 12% for the Moslems. Industry and crafts employed 36.8%, again about 30% if we exclude the "unknowns". Agriculture, however, employed only 17% (or one sixth) of the Christian Arab wage-earners in comparison to the 64% or two-thirds of the Moslems. The differences in the economic structure of the two communities are clear.

Not only has there been revealed such a great and fundamental difference between the economic structures of the Christian and the Moslem Arabs, but it also becomes apparent that structure of the extra-territorial minority in this case bears a similarity, along general lines, to that of the Jews in the Diaspora: separation from the primary branches of production and concentration in the service branches of the economy. Together with this surprising and marked similarity we must point out one dissimilarity. Among the Jews in the countries of Europe first place was taken by commerce, while

among the Christian Arabs in Palestine that place was taken by the free professions and public service. In the last analysis, however, commerce, the free professions and public service are outside the field of direct production and belong to the realm of services, so that the parallel remains essentially close.

The number of emigrants among the Christians, even in absolute numbers, was greater than that of all Moslem emigrants, though the Moslem population in Palestine was ten times that of the Christian. During these years, therefore, one out of every one hundred and eighty Christians left the country, and one Moslem out of every fifteen hundred.

Similar phenomena have been found among other ex-territorial minorities. In the countries of East Africa there is to be found a minority—called "Asiatics"—composed of Indians and Arabs. During the 'thirties there were 55,000 such "Asiatics" in Kenya and 15,000 in Uganda—most of them Indians, and some Arabs. The censuses which were carried out in these colonies during the 'thirties, showed the Asian communities to possess an economic structure which was in complete contradiction to that of the native Negro population, which was occupied for the most part in agriculture. The occupational pattern of the minorities in Kenya and Uganda was as follows:

Occupation	Kenya (In percentages)	Uganda
Agriculture	2.5	0.2
Industry and crafts	24.8	10.7
Commerce	55.1	77.5
Free professions	1.0	2.3
Gov't service	11.4	9.3
Domestic service	5.5	—

The statistics presented above have been augmented during the past years by research works on the status of the national minorities in Eastern Asia—the Chinese and Indians in Siam, Burma, Malacca and Indonesia, and here, too, we find a similar pattern.

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The over-population and low standard of living in China has been a long-standing cause for large-scale emigration. The stream of emigration from the northern areas of China turned towards Manchuria, and from the south—to the countries of Southeast Asia.

The migration to Manchuria did not create any problem of a Chinese minority. Manchuria itself was a part of the Chinese imperial (Manchu) state, under the rule of the Chinese authorities, and its total population, in an area of more than a million square kilometers, numbered only about 300,000. Chinese immigration increased the population, during a period of a number of decades, to 30-40 millions. Manchuria, in effect, thus become a Chinese country. This was not the case in the countries of Southeast Asia. Here the Chinese found a large native population and they formed pockets of minorities within the dominant population.

The largest Chinese minority was formed in the State of Siam. The Siamese population numbers

about 12-50 millions, and the Chinese about 3 million, of whom about 2.5 million are Siamese-born, and a little more than half a million first generation immigrants. Siam is an agricultural country. In 1937 88% of the population were employed in agriculture, 5% in commerce and only 2% in industry. The Chinese, on the other hand, are dominant in commerce, both wholesale and retail. They are of course concentrated in the cities: though they form less than 20% of the total population, they are a third of the population of the capital city of Siam—Bangkok. The number of Chinese workers is almost infinitesimal. This situation has created a "Chinese problem" in Siam. A form of "anti-Sinism" very akin in character and spirit to European anti-Semitism is widespread. During the 'thirties the Siamese Government, too, adopted a policy of anti-Chinese limitations, and imposed restrictions on immigration. These restrictions proved to be insufficient and they were made even more stringent after the end of the last World War. Immigration quotas were fixed in 1947—in the beginning up to 10,000 individuals a year and later even less. The government also adopted a number of discriminatory methods in the economic field. Heavier taxes were imposed on the Chinese while the native Siamese traders and businessmen were given a number of special concessions. A "numerus clausus" for "foreigners" was imposed in a number of professions. In 1942 non-Siamese were forbidden completely to work in 27 different occupations; the foreigners who had been employed in these occupations previously were given periods of from three months to a year to liquidate their affairs. This policy, however, did not succeed—because there were not sufficient Siamese to take up the positions vacated. The Chinese continue until the present day to dominate the commerce of this agricultural country.

The population of Indonesia numbers about 80 million, of whom close to 50 million are found on the island of Java. The Chinese number about 1.3 million, about 1½% of the total population. About half are found on Java, where they make up about ¾% of the population. The other half are scattered in the other parts of Indonesia. Of the Chinese in Java, 80% are native-born; in the other parts of Indonesia about half are native-born and half—first generation immigrants from China.

There is still another difference between the Chinese in Java and those on the other islands: the immigration to the other islands came about to a great extent as the result of the encouragement of the foreign plantation-owners and mine-owners who needed workers for their enterprises. The Indonesian population is an agricultural one; agriculture employing about 70%, industry about 10%, commerce between 6 to 7% and transport about 1.5% of the total population. In the primitive society of Indonesia it was not always possible to find hired labor for the mines and the plantations which were developed not as a result of the development of the local economy and in accordance with

its needs but by the investment of foreign capital—British and Dutch. The owners therefore endeavored to import additional labor from China and India.

It thus becomes clear why first generation immigrants form such a large part of the Chinese population in the outlying islands while the Chinese in Java are for the most part second and third generation native-born. This has resulted, too, in differences in the employment pattern of the Chinese population. In the outlying islands many of the Chinese are hired laborers working in the plantations and mines, while in Java there are almost no Chinese agricultural workers or miners. The Chinese in Java are employed for the most part in commerce: they are businessmen and clerks. The occupational pattern of the Chinese in Indonesia shows the same differences from that of the native population that we have marked before.

Branch	Local population	Chinese
	(In percentages)	
Agriculture	50	36
Industry	10	20
Commerce	6	37
Free professions	0.7	1.5

The proportion of agriculturists among the Chinese is 50%, which is indeed not a small amount. But these are the hired laborers who were brought from China by the plantation owners. In Java, as we have pointed out, there are almost no Chinese agriculturists.

The special situation of the Chinese has created a "problem" here too. During the Second World War there were a number of outbreaks of anti-Chinese pogroms. The result was that the concentration of the Chinese in the cities, which had been quite large even before the World War, became even more pronounced; the lack of security compelled those Chinese who had dwelt in the villages to leave and to move to the comparatively more secure cities. The government, here too, has acted against the Chinese: an immigration quota of up to 4,000 individuals a year was set in 1949. In 1951 all foreigners were required to undergo a special registration. The discrimination became even harsher in 1953.

It should be pointed out that there is another and smaller minority in Indonesia—an Arab minority whose numbers don't go higher than some tens of thousands. About 20% of these Arabs are employed in agriculture, 14% in industry, 5% in transport and 55% in commerce.

* * * *

The Chinese minority in Burma is not large, numbering altogether about 200,000, or about 1% of the population. Their occupational pattern again shows the same trends. Though only 1% of the population, these Chinese form about 5% of the urban population. Their occupational structure is also different from that of the Burmese. 70% of the Burmese population are employed in agriculture, 11% in industry, 8% in transport, 9% in commerce and 3.2% in the free professions. There are almost

no agriculturists among the Chinese and only a small number of hired laborers. 38-40% of all the Chinese are craftsmen, with 41% in commerce and about 5% in clerking positions.

The condition of the Chinese in Malacca (incl. Singapore and Malaya) is different. Here their numbers have grown so large as a result of immigration that they have changed from minority to majority, though only a small majority. In 1941 there were 5.5 million inhabitants in Malacca, of whom 2.5 million were Chinese, 2.3 million native Malaysians and 0.7 million of other minorities (especially Indians). 67% of the Chinese are natives of Malaya, the other third—first generation immigrants. 22% of the Chinese are employed in agriculture (figures for 1947-51); these are not workers imported by the plantation owners but for the most part small peasants. The penetration into peasant agriculture and into industry was an inevitable result of the concentration which made the Chinese a relative majority of the population. The need for hired labor for the plantations and the mines owned by foreign capital here too, indeed, played an important role in stimulating immigration. "Most of the native Malaysians did not go to work as hired laborers but preferred to continue their existence as small peasants and fishermen" (P. Pilai, "Labor in South-east Asia"). But alongside of this stimulated immigration which brought mostly laborers from India and to a lesser degree from China, there was also a stream of free and spontaneous immigration from China. In addition we can notice the effects of a process which had been previously marked in European migration to America. The ranks of the immigrants who came as unskilled laborers seeking work in the mines and the plantations underwent changes in the second generation. This second generation starts with a higher standard of living and many of them penetrate into the skilled labor field and the free professions. This together with the closing down of the imported immigration of labor, "coolies," left a gap in the ranks of the unskilled laborers which was filled for the most part by natives.

Of the 2.5 million Chinese, one-half million are small peasants. In 1946 there were also 70,000 Chinese workers in the rubber plantations. 13,000 Chinese worked during this same year in the mines and 16,000 in industry. 54% of the Chinese were urban dwellers in 1947. Retail trade in Malacca is almost completely monopolized by the Chinese; wholesale trade and foreign trade is in the hands of still another minority—the Europeans. In general the Chinese have suffered from the competition of European capital in commerce, banking and mine exploitation.

* * * *

We see, therefore, that in the countries of South-east Asia, too, national competition has led to a negative attitude towards foreigners. It may be pointed out that these conditions have brought into being a process of migration of the members of the minority

groups from their adopted countries. The remigration of the Indians from Malacca and Burma is not too meaningful in this connection, since most of these immigrants were not permanent settlers but temporary workers who came at the invitation of the employers, leaving their families behind in India. But the Chinese, too, have shown this tendency to migrate, even among members of the second and third generation after immigration. In 1953, for example, 5,000 Chinese left Indonesia to return to China.

We can therefore summarize: national minorities dwelling in the midst of the majority people differ in their economic structure from that of the majority. When this special economic structure disappears and becomes similar to that of the majority, the cultural differences of the minority also disappear and it assimilates into the majority people.

The minorities possessing special economic structures may be classified into three main types:

1. A dominant minority. This is composed mainly of government officials or of capitalists who come to the colony in order to exploit natural resources. These take over lands and establish themselves as estate-owners, work in the free professions and usually dominate the fields of wholesale trade and foreign commerce. They do not as a rule enter the field of retail trade.

2. Immigrants who have come at the invitation of the employers or of their own free will. In the first instance they are mostly hired laborers, mainly unskilled. They usually work on the plantations, in the mines and in construction. The immigrants who came of their own volition also enter the labor market as unskilled laborers or as workers in branches of industry which had previously not been developed in the adopted country and which the immigrants themselves were instrumental in introducing. A second section of the immigration turns to small trade and peddling. This, however, is the pattern only of the first generation. The second generation—if it remains in the adopted country—leaves the occupations of its immigrant parents and turns to

commerce, clerking and professions, finally attaining the situation of the third type of national minority (if it does not in the meantime assimilate into the dominant population). This was characteristic of the Italian, Polish and Irish, as well as the first generation of Jewish immigrants to the United States, and of the Indians in Burma and Malacca. This type is also characteristic of the Chinese in Indonesia outside of the island of Java.

3. The third type is the national minority which is scattered among the majority people and has dwelt for more than one generation in the country. Such a national minority develops its own peculiar economic structure marked by the absence of an agricultural class, removal from the primary branches of the economy, the large number of craftsmen and an exaggerated concentration in the "tertiary" branches, outside the cycle of production. These may at times be commerce, at times—various services, at still other times both of these. To this type belong the Jews in the various lands of their dispersal, the Christian Arabs in the Arab East, the "Asiatics" (Indians and Arabs) in East Africa, the Chinese in Burma, Indonesia and Indo-China. This peculiar economic structure serves as the basis for its distinctive national character and for the existence of the national culture of the minority. Its relationships with the majority are marked by national competition, which is not sharp so long as the majority does not have the elements capable of taking into their own hands the economic functions held by the minority. When these elements do appear among the majority people, national competition grows sharper and leads to the gradual ousting of the minority from its positions. National friction grows more intense. This development stimulates the process of migration on the part of the minority in search of new homes. When the minority does have some country in which it forms the majority, this migration usually takes on the form of a return to the homeland; when such a country is lacking the migration turns to new lands in the course of which there also appears the problem of establishing some territorial center.

MAOISM AND INTERNATIONAL COMMUNISM

When Stalin was destroyed after his death by his disciples as an unchallenged leader in communist ideology, Mao Tse-tung made his first but unsuccessful bid for the throne by serenading 'Different Roads to Socialism' to Red leaders of Yugoslavia, Poland and Hungary. He has now made a 180 degrees turn by denouncing Yugoslav Communism as absolute revisionism contradictory to Marxism-Leninism. This time, Mao is playing the part of a defender of Marxism and has won immediate support from Moscow. Pravda republished Peking's bitter attack on Yugoslavia's Communist leadership devoting nearly half a page to it and repeating the Chinese charge that the Yugoslav Communists "defended monopolists and embellished capitalist and imperialist countries and imperialist camps while attacking the dictatorship

of the proletariat." By supporting Peking in its political war against Yugoslav Party Congress and its decisions, Moscow also made a 180 degrees turn since Premier Nikita Khrushchev's visit to Belgrade in an attempt to heal the rift between political leaders and theories of the two nations. North Korea, the most ardent follower of the Peking regime, has already joined China in denouncing Yugoslavia's 'drift towards Imperialism'. More satellites will echo in unison.

Although Marxist theory was introduced to China before the founding of the Communist Party in 1921, Karl Marx was never so highly honoured in China as he is today. Peking's propaganda machine went into full blast on May 5th for the celebration of the 140th anniversary of the

birth of Karl Marx. All Peking newspapers carried articles, reports and pictures dedicated to the occasion. The theme of the day is 'Down with Modern Revisionism'. The official mouthpiece, the People's Daily, said, "Since 1844, Marxism has been carrying on a persistent struggle against all trends of reactionary bourgeois and petty-bourgeois through and against all kinds of opportunist ideas among the ranks of the international workers' movement. . . . It was in the course of the struggle in the age of imperialism and proletarian revolution that Lenin developed Marxism and carried it forward to a new stage, the stage of Leninism. Now the international workers' movement has placed before Marxist-Leninist the new sacred task of carrying out irreconcilable struggle against modern revisionism." The editorial then condemned the League of Communists of Yugoslavia because it has 'viciously slandered proletarian dictatorship alleging that it (proletarian dictatorship) leads to bureaucracy, the ideology of etatism, separation of the leading political forces from the working masses, stagnation, the deformation of socialist development, and the sharpening of internal differences and contradictions.'

Without establishing effective defense for proletarian dictatorship against these 'allegations', the editorial just pointed out that what Mao Tse-tung had said in his speech 'On the Correct Handling of Contradictions among the People' ("Revisionism, or rightist opportunism, is a bourgeois trend of thought which is even more dangerous than doctrinairism. The revisionists, or right opportunists, pay lip service to Marxism and also attack doctrinairism. But the real target of their attack is actually the most fundamental elements of Marxism") answers not only to the condition in China but also to the international situation. The paper then printed long phrases of communist rhetoric explaining how Yugoslavia, after being expelled from the Information Bureau, was readmitted in 1954, how Moscow and Peking had been waiting for the leaders of the League of Communists of Yugoslavia to return to the Marxist-Leninist standpoint, and how Yugoslav Communists now adopted a revisionist program.

The essential points of this editorial and many other similar editorials in other Red Chinese papers are: (1)

Marxism was developed by Lenin into Leninism in its struggle against imperialism. (2) International Communism is now in its struggle against modern revisionism such as the Yugoslav Communism. (3) Mao Tse-tung is leading the international workers' struggle against this modern revisionism. Red China's philosophers also joined the chorus describing Mao's theory of the correct handling of contradictions among the people and of the basic contradictions of Socialist society as a creative contribution to Marxist-Leninist theory. In short, Peking claims that Mao has developed Marxism-Leninism into Maoism to save International Communism.

Mao Tse-tung however did not explain why Communism had failed in Yugoslavia and why in Hungary, Communism had become so loathed by the masses that it could no longer rule except through terror. Mao condemned Tito, Nagy and other disillusioned Communist leaders as deviationists but Mao himself had diverted from Marxism and Leninism in many ways and on many occasions. Nevertheless, Marxism is stimulating a fresh wave of enthusiasm in China today. In Shanghai, a 'legion' of 500 Marxist theoreticians was formed on May 5th. The task of these theoreticians is to carry out the struggle to break down bourgeois and establish the proletarian ideology on the theoretical front. The legion is, of course, under the leadership of Chinese Communist Party.

Although Marxism-Leninism is regarded by most political scientists and philosophers outside the Iron Curtain as a comparatively primitive way of thinking, Marxist dogma has been used to create a non-capitalist state very different from anything Karl Marx could have dreamed of. This is true in Russia. This is true in China. This is true in other Communist states. Marxist-Leninist dogma is also useful in World domination. By quoting and mis-interpreting Marx and Lenin, Stalin had once dominated Communists all over the World with his own thinking. Today, Mao Tse-tung is hoping to assume the ideological leadership in International Communism by declaring war on Titoism and by claiming that he has carried Marxism-Leninism forward to a new stage, the stage of Maoism.

INDUSTRIAL REPORTS FROM CHINA

CAPITAL CONSTRUCTION

Tractor Plants—The First Tractor Plant in Kunming started production recently. The plant, reconstructed from a motor car repair shop, will turn out 150 tractors before the end of this year. Its annual output will reach 3,000 standard tractors next year. In addition to the making of all the main parts of a tractor including the engine, this plant will produce complete sets of oil refinery equipment and cement making machinery. Another tractor plant now under construction in Loyang will start production in the Spring of 1959.

Shipyard—The newly formed Canton Shipyard, an amalgamation of the First Canton Shipyard and Canton Dockyard, is capable of repairing 8,000-ton vessels and building crafts below 1,000 tons. By the second half of 1959 it will be able to build 5,000-ton vessels and repair 10,000-ton ships. Under the second 5-year plan, this shipyard will eventually be developed into a major shipbuilding centre.

Metal Industry—The Ministry of Metallurgical Industry announced that China will build 11 seamless tubing mills this year, one with an annual output of 100,000 tons and

the other 10 with 7,000 tons each. The 10 small mills will be established in Peking, Shanghai, Tientsin, Canton, Sian, Taiyuan and Nanchang. Equipment for these plants are being manufactured by plants in Shanghai, Anshan and Tientsin.

In Shanghai, total investment in the iron and steel industry this year will be three times the amount invested during the first 5-year period. In addition to the above mentioned seamless tubing mill, major projects will include four blast furnaces, two steel smelting workshops and seven steel rolling mills. When projects scheduled for 1958 are completed, Shanghai's output of pig iron will be increased by 500,000 tons a year, steel by 220,000 tons, blooms by 400,000 tons and steel products by 280,000 tons. Last year, Shanghai produced 480,000 tons of steel and 600,000 tons of steel products. Under the second 5-year plan Shanghai will turn out 1.6 million tons of steel a year by 1962. A steel mill with an annual output of 50,000 tons of ingot and rolled steel is now under construction in Kunming. Partial operation will begin this August. When completed at the end of this year, it will produce round bar, square bar, angle steel, ingot steel and other steel products. The Chungking Iron and Steel Company is being expanded to

produce 1.2 million tons of steel and 1 million tons of steel products a year. Expansion projects include the reconstruction of old plants and the building of new iron smelting, steel smelting and blooming plants.

Chemical Industry—A total of 66 new chemical fertiliser factories are being built in various provinces this year. The completion of these plants will increase China's fertiliser output by 2.7 million tons per year. China's present output of chemical fertiliser is about 800,000 tons. These 66 plants are the first batch of 1,000 such factories earmarked for 1958-62. A small plant was completed recently in Shanghai with an annual output of 8,000 tons nitrogenous fertiliser. This plant costs 2 million yuan and was completed in a little more than a month. It is designed as a prototype to be copied by hundreds of similar fertiliser factories throughout the country.

Shanghai will also build seven chemical fibre plants this year. When completed in 1962, these plants will produce more than 60,000 tons of synthetic fibres a year. In North-East China, construction of the Antung Chemical Fibre Plant was completed recently. Daily output of this plant is now about 12 tons. This plant will be further expanded under the second 5-year plan to have an annual capacity of 20,000 tons of artificial fibre. In Peking, a plastics plant now under construction will produce 12,000 tons of polyvinyl chloride, 4,000 tons of phthalic anhydride and 15,000 tons of caustic soda a year in its first stage of production.

Cotton Mills—Peking announced that new cotton mills will be set up in 19 provinces and cities this year. In Sienyang (Shensi), construction started recently on a new cotton mill with 150,000 spindles and 2,400 looms. A new cotton textile combine is now under construction in Loyang (Honan) comprising of three spinning and weaving mills and a printing and dyeing factory. The combine will have a total of 300,000 spindles and 12,000 looms. In Pengpu (Anhwei), a cotton mill now under construction will be completed early in 1959 and at the initial stage will have 56,000 spindles and 1,000 looms. In Kansu, the First Cotton Mill in Lanchow with 50,000 spindles will be completed before the end of this year. It will turn out 40 million metres of cloth annually.

Sugar Refinery—A new sugar refinery in Canton with an annual production capacity of 43,000 tons was completed recently. The plant was built with the help of Czechoslovak experts and equipped with machinery from Czechoslovakia. This is one of the 16 new or expanded sugar refineries scheduled to go into operation this year in Kwangtung.

INDUSTRIAL ACHIEVEMENTS

Vehicles—The No. 1 Motor Vehicle Plant in Changchun turned out the first passenger car early this month. The

car, named the 'East Wind' is finished in red and has a dragon emblem on the bonnet. Both the head lamps and rear lights are designed in the shape of Chinese lanterns. The car weighing 1.23 tons has a 70 horse power engine and can reach a maximum speed of 128 kilometres per hour. The gas consumption is claimed to be 9 to 10 litres per 100 kilometres. Full-scale production will begin soon. The same plant recently produced China's first tip lorry which has a loading capacity of 3.5 tons and the first coal burning lorry which is equipped with an automatic blower. The coal burner has a load capacity of 3.5 tons and can haul a trailer loaded with 2 tons at the same time. It can also be run on charcoal or petrol.

Agricultural Equipment—The Tientsin Tractor Plant recently trial produced a 40 horse power, diesel driven, rubber tyre tractor which has a maximum speed of 12.9 kilometres an hour and a hauling capacity of 1,400 kilograms. This tractor, which is modelled on the Soviet MT 35 type, can plough 10 hectares of land in eight hours. In Nanchang, the Kiangsi Machine Building Plant recently completed the first amphibious, multi-purpose tractor which has a hauling capacity of 3.5 tons and a maximum speed of 21 kilometres an hour. China's first 55-horse power self-propelled combine harvester recently manufactured by the Harbin No. 2 Machine Building Plant can harvest a hectare of wheat or barley in an hour. With minor adjustment, it can be used for gathering soya beans.

Locomotives—The Szufang Locomotive and Rolling Stock Plant in Tsingtao recently started the production of a 1,880-HP steam locomotive which has a tractive force of 1,000 tons. This new model is designed by Chinese engineers. Its speed on level railway track is 11.5% faster and fuel consumption is 10.8% lower than engines now in use. It has automatic stoking and other devices to reduce the coal consumption. The drivers' cab is enclosed. The Szufang plant was a repair works before 1950. In 1953, it began to produce locomotives and railway coaches including dining cars and all-metal sleepers.

New Machinery—New products to be turned out by China's machine-building industry will also include high-precision gear grinders, centerless grinding machines, single-spindle automatic lathes, automatic silk looms, semi-conductor radios and television equipment.

Television—Peking Television Station, the first in China, started trial operation early this month. Programmes are now transmitted to Peking receivers every Thursday and Sunday from seven to nine p.m. Work on the television station was started in August last year. The image transmitting equipment operates on a frequency of 57.75 megacycles and the sound transmission on a 64.25 megacycle frequency.

REPORTS FROM TAIWAN

Freedom of the Press—Newspapers in Taiwan are endeavouring to block the new publication law which the Legislative Yuan is studying at secret sessions. According to the proposed revisions bill, the Ministry of Interior would be given administrative powers to cancel the licence of a newspaper or publication after nine warnings. Government authorities explained that the administrative warning and the right to revoke a publisher's licence are necessary to prevent libellous reports and the trend toward so called 'yellow journalism'. The tightening of control over the Press is actually brought about by the recently intensified attack

by newspapers in Taiwan on government and its officials. The Kuomintang's anti-criticism campaign has shown itself most clearly in editorials carried in the party's official papers labelling critics of the government as neutralists and Communist-sympathizers. Chiang Kai-shek gave his official blessing to this type of reasoning early in April when he warned a Youth Day rally against the Communist tricks 'masquerading as democracy and freedom'. Indications are that journalists in Taiwan have a very slim chance to block the Bill. At present, there is already only limited freedom of the press in Taiwan because the existing Publi-

cation Law requires that every new magazine or newspaper has to be registered with the Government and cannot start publication until a licence has been obtained. As a matter of fact, the Government has long stopped the issuance of such licences; many journalists from the mainland are therefore unable to start a new paper in Taiwan.

Rice Output—Taiwan's 1957 rice output totalled 1,839,000 metric tons. The Provincial Food Bureau disclosed that the second 1957 crop totalled 907,300 metric tons, 24,200 metric tons higher than the second crop in 1956. The acreage planted to rice in 1957 was 36.8 million hectares, 7.4 million hectares lower than that in 1956. Production this year is not yet known. The lack of rain in the past several weeks had seriously affected thousands of acres of rice crops. The Food Bureau reported that rice production would suffer a severe reduction if the serious drought situation is not alleviated.

Production of Tyres—The Economic Stabilization Board approved the China Tyres Manufacturing Company's project for the construction of a new plant and the expansion project of the Nankang Rubber Plant with a view to increase the domestic production of tyres thus saving some US\$3 million every year through the reduction of tyre imports. The China Tyres Company's new plant involves an American aid loan of US\$1.3 million for the importation of machinery and equipment while the US\$508,000 required for the expansion of the Nankang Plant will be provided by the plant's owners and will be implemented through technical cooperation with Japanese firms. The China Tyres is planning to produce 30,000 sets of tyres in the first year and 90,000 sets per year beginning the second year. Nankang's total annual production will reach 48,000 sets. At present, Taiwan's annual imports of tyres are about 60,000 sets costing some US\$3 million.

Cement Exports—During the first three months this year Taiwan exported 39,000 metric tons of cement to South Korea, North Borneo, Hongkong and Guam. Negotiations will soon be completed for the supply of a further 100,000 tons of cement to Singapore, Vietnam, Laos, the Philippines, Hongkong and South Korea. For 1958, the Taiwan Cement Company and the Chia Hsin Cement Company plan to ex-

port 250,000 tons of cement which will earn US\$4 million of foreign exchange for Taiwan. At present, Taiwan Cement which operates three large plants at Kaohsiung, Chutung and Suao, turns out 750,000 tons of cement a year. The annual production of Chia Hsin's plant at Kangshan is 150,000 tons. Taiwan's total annual cement output is about 950,000 tons. Market price in Taiwan is now about T\$42 per bag.

Cotton Mills—Eleven cotton mills in Taiwan formed a joint company—the China Textiles Trading Corporation—to promote exports of cotton textiles. It will buy raw cotton from US on credit and repay the cost in instalments after the products processed from the imported cotton are sold abroad. The Bank of China will serve as guarantor in the credit purchase of raw cotton. With the benefit of the new foreign exchange rates in addition to the above advantage, Taiwan textiles will become more competitive in Hongkong and other SE Asian markets.

American Aid—Taiwan is requesting US\$31.14 million Development Loan Fund from Washington for 24 projects including the development of cement plants, building and repairing of fishing boats, construction of diesel engine fishing boats, refrigeration and freezing of fish, railway improvement, the Shihmen Dam project, the expansion of the Aluminum Plant, loans to small industries and building of additional electric power transmission stations. During the past seven years (1951-1957), US Government rendered Taiwan economic and defence support aid of nearly US\$1,000 million.

Surplus Agricultural Products—Taiwan will purchase US\$12.1 million worth of US surplus agricultural commodities including \$7.5 m wheat, \$1.3 m soyabean oil, and \$1.7 m tobacco. Proceeds from sales of these commodities will be used for: (1) common defense purposes, T\$ equivalent of US\$6 million; (2) Sino-American educational exchange programs and other expenditures by the US Government, T\$ equivalent of US\$3.1 m; (4) loans to be made by the Export-Import Bank in Washington to Chinese firms for developing markets for US agricultural products and to US firms for developing trade in general, T\$ equivalent of US\$3 m.

THE WORLD'S LARGEST CITY—TOKYO

Metropolitan Tokyo with its population of 8,534,993 (as of October 1, 1957) living in its 23 wards, eight cities, three counties and several islands located in a sprawling fashion over an area of 2,044 square kilometers is today the world's largest city. It is a far-cry from the small and poor hamlet called Edo where a samurai, Ota Dokan, built a castle in 1457 to mark the beginning of the great Tokyo of today. It was thus in October, 1956 that Tokyo's 500th anniversary of its founding was celebrated.

The arrival of Ieyasu Tokugawa (who later became Shogun) to Edo castle in 1590 marked a new period of prosperity for the city which thrived under his far-reaching public works programs and benevolent administration. This castle town soon grew into the biggest city in eastern Japan and rivalled Kyoto and Osaka in the west. For approximately 280 years, thereafter, up to the dynasty of Tokugawa Shogun XV, Edo held sway as the center of military administration. The restoration of the monarchy in 1868 saw the Tokugawa Bakufu (Shogunate military regime) fall from power, but the city continued to flourish and became the capital of Japan, since the Imperial family moved from Kyoto to Tokyo (the name was changed from Edo to Tokyo).

With the restoration of the monarchy, a prefectural system was established and in 1888 Tokyo was placed under its jurisdiction. Thereafter, many changes in city administration occurred, but it was not until 1888 that Tokyo became a completely autonomous municipal government.

In 1943, the prefecture and the city were amalgamated into the Metropolis of Tokyo under a special administrative system which was established in view of Tokyo's enormous size and its importance both as the capital and as an international city. The chief executive of the metropolis is called Governor and the legislative branch is known as the Metropolitan Assembly. Both the Governor and the 120 assemblymen are elected to a term of four years.

Tokyo in recent years has displayed astounding development as an international city. Frequent international conferences on culture, art and science are held as well as public performances by musical groups and dancing teams. Many foreign visitors come to inspect Tokyo's industries, technology and facilities while the number of overseas tourists increase annually. In May, 1958, the 3rd Asian Games will be held in Tokyo, and a general meeting of the International Olympic Committee will be convened at about

that time. It will most likely decide whether to give Japan the privilege of holding the 1964 Olympic Games in Tokyo following the games in Rome in 1960.

There are eight autonomous cities within the Metropolitan of Tokyo, the names and populations (as of Oct. 1, 1957) of which are as follows: Hachioji 138,581, Musashino 102,072, Tachikawa 64,464, Mitaka 78,481, Oome 55,793, Akishima 39,461, Fuchu 62,434, Chofu 53,510.

Tokyo's many factories turn out a variety of products such as precision machinery, optical equipment, medical instruments, scientific equipment, leather and rubber goods, foodstuffs, textile goods and industrial metallurgical products, etc. Principal commodities exported by Tokyo and their recent export returns are as follows: (January-June, 1956; unit: ¥1,000)

Foodstuffs	21,626,115
Beverages and tobacco	330,303
Non-edible raw materials	5,114,048
Mineral type fuel lubricating oil	1,438,634
Animal and vegetable oil	5,040,289
Drugs	11,973,108
Leather and leather products as well as finished furs	28,747
Rubber products	1,509,785
Wood and cork products	3,711,139
Paper, pasteboard and their products	1,568,574
Thread for fabrics, fabrics and their products	3,542,859
Non-metal ore products	6,217,928
Silver, platinum and jewels	2,044,126
Base metals	29,440,926
Metal products	4,046,272
Machinery and transport equipment	32,514,823
Appliances used in medicine, physics and chemistry, regulators, photographic equipment and materials; optical instruments, clocks and watches	4,310,983
Miscellaneous products	7,983
Total	149,197,332

Tokyo has established information centers for both foreign and Japanese tourists in the terminal building of the Tokyo International Airport at Haneda and in the International Tourist Hall at Marunouchi. These centers advise foreign visitors on places to visit, inform them about train schedules and also make arrangements for hotels as well as provide free guide service for inspection of facilities in the metropolitan area. Tourist information material can be obtained without charge by writing to either of the aforementioned centers. Regular monthly and annual publications are issued by the various departments of the Tokyo Municipal Government in the Japanese and English language. English publications include the Tokyo Municipal News (once every two months), Facts About Tokyo (annually) and Tokyo (annually).

In commemoration of October 1, 1898, the year self-government was granted to Tokyo, the City Fathers have designated this day as Citizen's Day and sponsor various ceremonies and functions. Since 1956, a Grand Festival of Tokyo is held each year centered around this day, the festivities continuing for one whole month. Every two years, moreover, Tokyo plays host to an international trade fair attended by hundreds of foreign visitors. The title of Special Honorary Citizen or a key to the city is presented to foreign guests who come to Tokyo for the purpose of promoting friendship or to foreigners residing in Tokyo who have made a significant contribution to the welfare of its citizens.

MACAO AND CHINA

By Mr. J. Braga

Relations between the Portuguese and the Chinese began when Jorge Alvares, Portugal's first emissary to the Chinese, landed from a junk at an island not far from the city of Nan T'ou, in 1513. At that landfall Alvares erected a stone pillar bearing the arms of Portugal, to mark the discovery of this new country. Marco Polo, whose description of the Far East was becoming popular in Europe, had made no mention of "the land of the Chins" spoken of by the Indians when Vasco da Gama first landed in India, and the king of Portugal gave instructions therefore to his explorers to find this country. Alvares' voyage was an important one in the history of human relations, but nearly all trace of it was left to lie in old documents in Portugal, and it was only in recent years that an attempt was made to rehabilitate the memory of this feat. Ljungstedt's book concerning the Portuguese in the Far East, which was the only work of reference on this subject for a long time, ignored this voyage entirely.

In a description of the Far East, written almost contemporaneously with this voyage, mention was made of the "Island of Trade" where Alvares landed and the port of "Hucham" was also referred to, as the port where the Siamese traded. In an old map in Lisbon it can be seen that "Hucham" is where the place we now know as Tung Chung, on Lantau Island, is to be found.

It would be interesting to observe what conditions were like in China at the time. The Mongols, in whose service Marco Polo's name figures, had been overthrown and replaced by a purely Chinese dynasty, the Mings. Under Emperor Yung Lo, of the Mings, the Chinese were very progressive and the voyages carried out, under Cheng Ho, from 1405 to 1433, proved that they were advanced in shipbuilding and navigational science, just at the time when the Portuguese, under Prince Henry, were beginning to lead the West in the study and evolution of ship construction among the Europeans. Suddenly the Chinese withdrew from this field of endeavour and, for reasons never fully explained, China entered upon a self-imposed exclusion. A succession of young emperors led to a succession of dowagers having a lot of say in China, which led to the eunuchs gaining the ascendancy. These individuals let loose a flood of corruption which ate into the body of the nation. Scholars who opposed these people were sacrificed on the slightest suspicion.

Meanwhile the Mongols continued to carry out raids into China and in 1513, the year Alvares landed in South China, the Mongols captured the stronghold of Hami, at the Chinese western extremity of the north-western trade route. By ignoring the coastal areas China lost the opportunity to realise that the West was rising from the slumber of the Middle Ages. A Portuguese document tells of how Emperor Cheng Te was curious to know about the newcomers,

In the Review of Feb. 20, 1958, pp. 247/50, an article by the late Bro. Cassian, on "Macao and the British" was published.

having met them informally in Nanking. This young emperor was proving a thorn in the side of the eunuchs and the Court and his untimely death before receiving the Portuguese in audience was a serious blow for China. He was succeeded by an infant, and the gang at Court was able to consolidate its position. One measure was to expel the newly arrived foreigners.

But the Chinese needed trade, however, and the Portuguese were invited to the coasts of Fukien and Chekiang, and the names of the ports they frequented appeared on Portuguese maps. Eventually the Portuguese were requested to return to Kwangtung and a document in Portugal describes how the arrangement was entered into. Letters written at Macao, in the year 1555, indicate that the Portuguese were then frequenting the place. Chinese as well as Portuguese sources tell of battles in which the Portuguese routed Chinese pirates, resulting in Portuguese occupation of Macao, for "the dislodging of the pirates had more lasting significance than probably any Chinese victories".

The growth of the new Portuguese city led to the development of sericulture in South China, contributing greatly to the economy of the districts near Macao, while the Portuguese bought many Chinese products and sold them spices and other products needed by China. For their ships the Portuguese needed foodstuffs and shipstores, and for their homes, churches and other edifices they needed building materials, furniture and other supplies, all of which provided employment, while the demand for fresh foods and vegetables was a fillip for agriculture in the area. They bought clothing, footwear and other things and these promoted livelihoods for Chinese artisans and other craftsmen, while the tradesmen who handled this business did well.

In due course the Jesuits built their College at Macao, money for the construction of which and its maintenance coming from the Portuguese merchants. Here scholarship was made available, scholarship of the type which was taking the place of the old in Europe, for the opening up of the world stimulated minds, leading to scholarship becoming critical and practical, and although national rivalries there led to more intensive struggles nothing could hold back the minds which had been released from the hindrances of the past. The story of how Ricci, who was chosen by the Portuguese Mission to lead Chinese scholarship into new paths is well known. Translation of Western scientific subjects were carried out but they made little impression in China.

Meanwhile the Portuguese introduced new food products, for they did not eat much rice, and to them the Chinese are indebted for products like maize, peanuts, sweet-potatoes and yams, also vegetables among them tomatoes, lettuce, cabbages, watercress, okra, mandiocca, and fruits like papaya, custard apples, guava, pine-apples, etc. New sauces for the cuisine and new foods and beverages, like coffee, cocoa and cheese, were used by the Portuguese and the Chinese were made acquainted with them in this way. Ornamental trees and shrubs, and medicinal herbs, at first for household remedies, were planted in Macao gardens, while specifics like cinchona and ipecacuanha found their way into China through the instrumentality of the members of the Portuguese missions there. The needs of the Portuguese community attracted farmers in the district of Heung Shan, and from this district the new products spread into other areas in China. An important aspect of the Portuguese activities was the search for specifics and useful drugs, and from the very earliest days Eastern medical methods were studied.

In the arts China did not borrow much from the Portuguese although Wu Lit lived in Macao and might have been influenced by Western techniques. The Portuguese did influence one branche of Chinese art, for they introduced snuff from Brazil which led to the production of the little containers which 'are now collectors' pieces. Similarly Chinese porcelain dishes, with European coats of arms, were sent from Macao to Europe. Artillery pieces were made in Macao, Chinese workmen being taught how to produce fine bronze cannon, some of which were sent to China for use in Chinese forts. But owing to the jealousy of Chinese officials the Portuguese sappers who were to use them were sent back to Macao.

In social service the Portuguese did good work, and in the Santa Casa da Misericordia they dispensed not only charity but did individual service to care for the sick. Hospitals and a leprosarium were founded as early as 1569 and among other institutions established were foundling homes, habitations for the needy, clinics for the poor, homes for the aged poor, which still exist.

At the other end of the world the Portuguese introduced changes too. Silks and satins for clothing and tapestries, bronzes, screens, ivories and other products helped to promote the industries connected with their production in China. Sedan chairs were introduced, and European gardens were soon planting lilies, tea-roses, jonquils, chrysanthemums and camelias. Oranges planted in Tangier, then a Portuguese possession, are known to the present day as tangerines, while oranges from Brazil were carried later to California. Tea as a beverage was introduced in Portugal and spread to other countries in Europe.

In due course European furniture and household decorations borrowed influences from Chinese art, and it is still possible to see, in old Portuguese manor houses, fine specimens of Chinese products sent from Macao.

Through the centuries Macao has been standing, as it were, appealing to China, trying to persuade the Chinese that they had something to learn from the West, and while doing this suffering exactions from petty mandarins. Many Chinese gained benefits from their dealings with Macao.

Reference should be made to how Dr. Sun Yat-sen was helped. After graduating from the Hongkong College of Medicine for Chinese in 1892 he was allowed to open a clinic at the Kiang Wu Hospital, at Macao, the Portuguese health authorities closing their eyes to what was really an irregularity. At Macao a Portuguese friend founded a newspaper, where Dr. Sun's first published articles regarding the need for reform in China appeared. Sun Yat-sen also established a private clinic in the city, using the place for political meetings. When the Chinese authorities tried to kidnap him he escaped to Hongkong. The reform movement in China led to intrigues by reactionaries, and when the Boxer Rebellion broke out it was to Macao that many schools from Canton, the Canton Christian College among them, found refuge at Macao.

It was not the first nor the last occasion when Macao provided a sanctuary for Chinese, the most important of these being when the Japanese started their war against China in 1937. Numbers of Canton schools and universities found a haven in Macao. When Hongkong was taken in 1941, Macao became prominent again, and many persons are alive today probably because they had a place like Macao in which to get shelter and food, for social service took on great significance at that time.

AGRICULTURAL PROGRESS OF MALAYA

Agricultural experts in Malaya are meeting the challenge of producing more food, particularly fruit. In the last few months, Malayan-grown grapefruits have appeared on the local market for the first time and there are high hopes that in time these will be produced on a commercial scale and in such quantity to develop into a thriving export trade. Malayan-grown Mandarin, thin-skinned oranges, are already a favourite with local people and in fact are today the most profitable fruit grown here. A small trickle of these are now being exported and the market is growing. A few years ago, it was thought that Malaya could not produce these fruits but British agriculturists believed that by trial and error, by cross-breeding, and by selecting the right type of soil in a particular State, fruit-growing could be made a success. They have been proved right.

Today in the new Malaya the accent is on growing more food and experimenting with new crops hitherto not attempted in this land. Not that Malaya is starving. Far from it; in fact no one has died from starvation since the Japanese occupation. But Malaya is determined to become more self-sufficient in its essential foodstuffs. It has the land and it has the energy to tackle new enterprises so there is no reason why, in another 10 years from now, Malaya should not be the showplace of the East in its variety of agricultural products . . . and all stamped, "Grown in Malaya". Without the right food and a balanced diet no people can go forward with that vim and vigour of a virile race. That is why a great play is now being made on the growing of more fruit that can be put into the market at a much cheaper price than imported fruits.

Millions of dollars are being poured into schemes for better drainage and irrigation of land coupled with the reclaiming of swamp forests and converting it to productive fertility. Four-fifths of the country still lies under jungle so there is no shortage of land once the steaming vines and jungle creepers are torn away to make room for farms and smallholdings.

Malaya must reduce its virtual dependency on rubber and tin. These two products have made this a rich country, yet their prices are determined by world consumers and thus can fluctuate tremendously. Undoubtedly for years ahead these two industries will continue to be the main sources of revenue but why not have equally prosperous coconut, coffee, cocoa, oil palms and fruit industries to offset a depression which might arise from tin and rubber?

Grapefruits may soon become Malaya's first commercial fruit export after pineapples. Several commercial firms are in the process of studying the economics of going into the grapefruit growing market. Nurseries already exist in several Malayan centres from which Malayan farmers can buy saplings for planting on their own land. Another scheme, too, has been worked out whereby the existing acreage of budwood nurseries will be expanded to give sufficient budwood for the production of 1,500,000 budwood trees a year, or enough for new planting or replanting of fruit at the rate of 36,000 acres a year.

Today the small Malayan farmer is gradually losing his reluctance to experiment with new crops. In the past, he would much prefer to stick to his old crop and make a

safe living instead of planting other items which could well double his income. However, this breaking down of tradition has admittedly been a slow process but somehow the "independent spirit" has enthused these farmers and they are now agreeing that they must keep up with the times. There are still those, of course, who are adamant against diversifying their crops but these diehards are having their eyes opened when they see what their more progressive neighbours are doing.

Last year, another three new training centres have been opened where junior agricultural assistants, trained under British experts, can receive practical training. Next year, a Faculty of Agriculture of the University of Malaya, will be opened not far from Kuala Lumpur. Once trained this new body of agricultural experts will go out into the rural areas to spread their learning to the rural farmers who have not had the opportunity for this higher agricultural education. Research is today also in full swing on livestock and pastures. Cattle are at present very little more than ancillaries to padi growing, but by developing better pastures and fodder crops and introducing better methods of management, it should be possible not only to considerably increase the production of beef, but also to get better yields of annual fodder crops by the use of superior fertilisers and of rotations. New overseas breeds of cattle have been imported into Malaya for inter-breeding with local cattle, thus producing a much finer stock able to produce more milk and a higher quality of beef. Experimental cattle stations are today scattered up and down the Malayan peninsula and frequently parties of local cattlemen visit them on conducted tours.

Unquestionably Malaya is going to need lots more food to feed her growing population in the years ahead. At the census taken this year, it shows that the Federation of Malaya has 6,250,000 people but 50% of these are under the age of 18, making Malaya a country of young people. There seems little doubt that in the next 10 to 15 years, the present population might well almost double. No country in the world has so many juveniles and children in ratio with its adult population as Malaya has. Now that farming is being considered in a new light there is every likelihood that more young Malaysians will agree to go in for farming after leaving school. The drift from the land to the cities has been the cause of considerable anxiety in post-war years and now it is hoped there will be a flow of budding farmers in the opposite direction. With the assistance which can be given today by the Government-sponsored Rural and Industrial Development Authority, there is no reason why farming should be the back-breaking job it was half a century ago. Today hundreds of Malayan farmers are car-owners and many more have motor-cycles. By using modern methods of tilling the land, and planting better crops they have lifted themselves from out of the lower income groups into the ranks of the comfortably-off middle class. However, there still remains much to be done to further increase the purchasing power of the man on the land, for Malaya remains an agricultural country and in the foreseeable future, it is certain to remain so unless some vital mineral deposits are unearthed which could change the whole economy of Malaya.

INDONESIA'S MILITARY AND THE STATE

By Justus M. van der Kroef

(Bridgeport University, Connecticut, U.S.A.)

The recent revolt by Indonesian military commanders in Sumatra, other dissatisfaction, and revelations by the Indonesian Government regarding the involvement of officers and men of the army in extensive smuggling operations, in Sumatra as well as in Sulawesi (Celebes) have focused attention once again on the curious position which the army and its leadership occupies in the country and the extent to which it seems to operate as an autonomous force in political life. To some western observers, who are adherents of the principle of strict civilian control over the military arm in the state, the free-wheeling independent *modus operandi* of the Indonesian army's commanders is reminiscent of an acute "warlordism" as it used to plague China. Such comparisons, while not wholly without some foundation in fact, do tend to overlook the historic origins and development of the Indonesian army and its present status in national Indonesian life, all of which to a large extent explain its occasionally baffling role. Nor do they take adequate cognisance of the constructive and stabilising influence which the Indonesian army's leadership, despite inner dissensions, has been able to exert on public affairs precisely because of its somewhat unusual position. It does not seem unlikely that future observers will attribute much of the success of democratic government in Indonesia to the army's decisions at crucial points in the nation's early history.

Any analysis of the army's political role must begin by stressing the revolutionary origins of the national Indonesian army, the creation by the Panitia Persiapan Kemerdekaan Indonesia (Preparatory Commission for the Independence of Indonesia) in August 1945, of a Badan Keamanan Rakyat (People's Security Board), which, in the words of Minister of Foreign Affairs Ruslan Abdulgani, was "the seed of the Tentara Nasional Indonesia (National Indonesian Army)." To be sure, Indonesia in the colonial period, had been familiar with an army in which Indonesian mercenaries figured prominently, and in which the non-political role of the army was accepted without question. The national Indonesian army arose, however, for a very specific political objective; to defend the young Republic's claim to independence against the Dutch, and its entire spirit drew sustenance from an intense, popular nationalism. Moreover, as the Indonesian High Commission in the Netherlands points out, the "TNI was created from 'the bottom up.' Central leadership and coordination came later" (Tien Jaar Republik Indonesia, 1955). Throughout the revolutionary period, and to a lesser extent even today, the Indonesian army included various groups of volunteers and guerillas, "private armies," many of which were beyond the discipline and control of the central army command. These unorganised forces, called *lasjkar* or *barisan*, it is to be feared, frequently got out of hand, but in the struggle for freedom their role was formidable; even so there are many indications that regular army leaders were not wholly pleased with the independence and strength of the *barisan*, many of whose commanders were willing to cooperate only if they obtained a voice in the direction of military affairs. During the revolution this direction was provided first by President Sukarno as supreme commander, but secondly and more importantly, by various conciliar coordinating bodies like the Biro Perdjuaan Pusat (Central War Bureau), in which army as well as the *lasjkar* leaders were represented

along with civilians. Regular army units were usually supplied with a Dewan Penasehat (Council of Advisers) composed of *lasjkar* commanders. Still other national and local "war bureaux" were established as the fight against the Dutch wore on, and some of the irregular armed units (the *barisan*) were charged with a more specific range of duties, such as anti-espionage activities, supervision over the air raid warden service, and even Red Cross work.

It would seem, then, that from the start the entire body of armed forces of the Republic was an integral part of a political upheaval and took its *raison d'être* from the ideologies behind that upheaval, while the resistance of the Indonesian people was not merely left to the regular army as such, but to a host of para-military and irregular fighting organisations which regarded themselves as integral and important parts of the Indonesian "army." Civilian control over all these forces was more fiction than fact during most of the Revolution. Consequently the course of the Revolution was marked by countless incidents resulting from attempts to influence army operations for specific political purposes (e.g. in Pekalongan, the insurrection of Jusuf in Tjerbou, the Karo-affair, and the Communist insurrection in Madiun).

At the time that the Indonesian Republic officially obtained its freedom from the Dutch in December 1949, it was faced with the problem of a large and, in many respects, ill-disciplined military establishment, with units, which under the guise of revolutionary fervour, continued to live off the countryside (few of these units had been compensated by the revolutionary government, though entitled to pay) and maraud the citizenry, and were fast becoming a liability to the young national government. Moreover, the transfer of sovereignty caught hundreds of Indonesian mercenaries in the colonial army (KNIL), who had fought against the republican army, unawares. These mercenaries could choose to transfer to the republican army, but for understandable reasons they were reluctant to do so. Finally, independence proved to be a somewhat heady wine for many Indonesians; some showed a disconcerting lack of responsibility in the reconstruction of their nation and seemed more inclined to enjoy opportunistically the emoluments that the chances of war had brought them. Certain army leaders in league with businessmen and politicians reaped considerable personal advantages from the attainment of independence.

These problems have determined much of the course of army development in the past six years. The question of colonial army personnel, has, in the long run, perhaps been the easiest to deal with. Although groups of mercenaries rebelled against the Indonesian government in Macassar and elsewhere in 1951 and others subsequently migrated to the Netherlands and a morally debilitating life in special camps, the conversion of former KNIL units has occurred without great difficulty, while among the former mercenaries in Holland there is now a readiness to return to Indonesia. The cause of the "Republic of the South Moluccas," at one time the core of rebellious KNIL mercenaries from Amboina, is by now lost and gone, and with it at least one major problem of army reorganisation. But in the matter of the *lasjkar* groups, and of instilling much needed discipline in army ranks, the army command was less successful, steering its

problems, *nolens volens*, into the political arena and committing itself to a hazardous reform programme that brought serious rifts in the army command into the open. The difficulties began in the latter part of 1952 during the tenure of the Wilopo Cabinet, when the then Minister of Defence, Hamengku Buwono, Sultan of Djokjakarta, pushed forward with a sweeping programme of reorganising the Indonesian army into a smaller, more compact and, above all, a well disciplined force, shorn of all extra-legal hangers-on, auxiliaries and irregular units. The Sultan's measures, which were in general conformity with the proposals of a Dutch military mission in the country which was helping in the army organisation, were not only unpopular among *lasjkar* groups which saw their prestigious and attractive employment come to an end, it also aroused opposition among intense nationalistic officers, many of whom had been trained under Japanese auspices in "ideological methods" of maintaining and mobilising a "mass army" with a definite political orientation.

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To these officers the Sultan's methods, particularly since they were endorsed by a mission of the hated Dutch, smacked of reactionary beliefs, of colonialism and of wilful disregard of the great services rendered the revolutionary cause by the "people's army," i.e. the *lasjkar* and *barisan*. These dissident officers were not lacking in influential support in parliamentary circles, a support which they were soon to bring to bear on the cabinet and on the Sultan. The supporters of the Sultan, on the other hand, which included many of the army's territorial commanders had, by this time, developed rather definite views of many parliamentary figures, many of whom, in the army commanders' opinion, had forfeited all rights to hold office because of their corrupt dealings, their ineptitude and their disregard for the national welfare. The conflict between the two groups thus assumed parliamentary ramifications, and to some political observers, the Sultan's conduct was such as to bring into question the entire concept of civilian (i.e. also parliamentary) control over the military. On July 29, 1952, after previous difficulties, the Sultan dismissed from his command one Col. Bambang Supeno, director of an officers' training school and a vocal adherent of the "ideological" officers' group. Supeno had been criticised for his training methods and for his alleged opposition to the Defence Minister's measures. Refusing to accept this criticism Supeno complained directly to the President and to some Members of Parliament.

Parliament thereupon decided to investigate the whole matter, and subsequently various motions were offered, some sharply critical of the Sultan and demanding further investigation of defence policies. All this had the effect of sharpening the distaste of the Sultan and most of the higher army officers for the opportunistic and irresponsible demagoguery which, in their opinion, parliamentary leaders were displaying in the whole matter; they thereupon decided upon a course of intimidation. On October 17, 1952, a mob of thousands gathered in front of the parliament building in Jakarta, carrying signs and handbills demanding the dissolution of the parliament; similar demonstrations were reported from other cities. Some of the mob had arrived in trucks and gave other indications of a certain degree of planning and premeditation. Sukarno's masterful handling of the masses prevented the worst, however. In subsequent days rumours flew thick and fast, but one fact emerged with a fair degree of certainty: territorial commanders of the army, failing in their attempt to persuade President Sukarno to dissolve parliament and assist in the army reorganisation by arresting dissident officers, had called on the Jakarta mob for assistance. In the period after the demonstration it became clear what a dangerous door they had thus opened.

For in the following weeks those territorial commanders who had participated in what was coming to be known as the "October 17" affair were deposed by their seconds in command. The first move was made in East Java, where Lt. Col. Suwondo was relieved of his command over the Brawidjaja division by his subordinate, Lt. Col. Sudirman, who in a subsequent broadcast proclaimed his loyalty to the President but was sharply critical of the Army High Command, which, in his opinion, had flouted the "revolutionary spirit." Col. Gatot Subroto, territorial commander of Eastern Indonesia, was removed by his subordinate Lt. Col. Warouw, who issued a statement similar to Sudirman's. Finally in the South Sumatra territory Lt. Col. Kosasih was relieved by his subordinate Lt. Col. Kretarto. In private the Sultan fumed over such outright insubordination, in fact he was powerless to take any action since neither the President nor the cabinet seemed willing to back his position. The Socialist Party, which reputedly, had close connections with some high ranking officers supporting the Sultan, was accused of fomenting civil disorder; both the Armed Forces Chief of Staff Simatupang and the Army Chief of Staff A. H. Nasution, were widely believed to have been implicated. On December 5, 1952, Nasution resigned, followed by the Sultan and some of his close associates in the Defence Ministry, and ultimately by General Simatupang after his position was subsequently declared abolished. The "October 17" affair proved also to be the beginning of the end of the moderate Wilopo Cabinet, and the beginning of a more ultra nationalistic course under that of its successor, led by Ali Sastroamidjojo.

The policies of this first Sastroamidjojo cabinet (July 1953-August 1955) are still a matter of controversy, but two facts seem to emerge beyond dispute, (1) that for a variety of reasons the economy of the country deteriorated during the Cabinet's tenure of office, and that, moreover, this deterioration was attributable in some degree to the extensive network of bribery and graft that had enveloped members of the government in league with businessmen, and (2) that the dissension and inner conflicts in the armed forces leadership continued and were in fact aggravated by the policies of the new Defence Minister, Iwa Kusumasumantri, who was widely suspected of Communist leanings. The new Army Chief of Staff, Gen. Bambang Sugeng, soon found himself enmeshed in intrigues and mutually antagonistic policies, not only from within the ranks of army officers, but also from a variety of political circles. The military establishment remained as costly and as unwieldy as before. Ideas of an army built around a small cadre of professionals, supplied by yearly classes of conscripts, had to be postponed, since the Defence Minister appeared to be loath to rid the army of irregular units. On the contrary, Iwa apparently suggested the formation of an armed Communist influenced veterans' group to assist the army in its operations against Muslim extremists of the Darul Islam. Moreover, the financial position of the army became increasingly worse: troops failed to get paid regularly, there were insufficient funds for the proper maintenance of encampments and installations, and even evidence that military supplies tended to be directed unduly to army units whose commanders were supporters of Iwa. Efforts were made to "neutralise" those who had supported the Sultan and when Armed Forces Chief of Staff Simatupang did not offer to resign, his position was simply abolished and its authority brought under Iwa's office. Army Chief of Staff Sugeng repeatedly offered to resign, declaring on January 16, 1955, that he was "unable to cope with the political intrigues inside the army."

At first President Sukarno refused to accept his resignation, but pressure on him, also from the side of dissatisfied army officers, mounted. Moreover, the army itself began to

show signs of greater unity. Later in February 1955 a solemn reconciliation conference of army officers was staged in Jogjakarta. In an impressive ceremony, illuminated by torch light, the officers affixed their signatures to a new charter, embodying an "honour code," which disavowed the mixing of politics in army affairs and emphasised the importance of professional rather than political qualifications in army appointments. If this was intended as a warning to Iwa, he failed to heed it. Late in the spring Army Chief of Staff Sugeng was finally permitted to resign thus setting the stage for a new, dramatic, excursion of army officers into the politics of their country.

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For with Sugeng's resignation the direction of the Army High Command came into the hands of Col. Zulkifli Lubis, as assistant and acting Army Chief of Staff. Lubis, with headquarters in Jakarta, had long been opposed to Iwa and his policies. Fanatically anti-Communist and related to high aristocratic Indonesian families, Col. Lubis is representative of the paternalistic-authoritarian tenor of traditional Indonesian social and cultural values, a new priaji (noble) in fact, if not in temperament, in officer's garb. Prudence would have dictated more intensive counsel with Lubis and his associates on the choice of the new Army Chief of Staff. Iwa thought otherwise and approved the appointment of Col. Utoyo as Sugeng's successor even though Utoyo in the opinion of Lubis and his associates lacked good health and other necessary qualifications. Moreover, political considerations appeared to have influenced the choice of Utoyo; other officers who might be better suited were disregarded because of their opposition to the policies of Iwa or because of their earlier support of the Sultan. All in all it seemed to Lubis and his followers that the principles of the Jogjakarta declaration were being deliberately ignored. In the background, it should be added, was the dissident officers' growing concern over the far reaching political "spoils system" that had come into existence under the tenure of the first Ali cabinet, and the corruption that had become rife in many layers of the Government and the business world.

The installation of Utoyo by President Sukarno on June 27, 1955, was therefore boycotted by Lubis and all other army commanders, the assistant chief of staff refusing to recognise Utoyo's appointment. Iwa summoned Lubis to his office, but the latter again refused to appear, whereupon the Defence Minister dismissed him from his post. Now Lubis refused to accept his dismissal, and after a conference with the regional army commanders announced that the new Chief of Staff would have to resign, that he, Lubis, would have to be reinstated and that he would act as spokesman for the army command. The tottering Ali cabinet was thrown into confusion by this determined stand and by the extraordinarily forthright and courageous statements of Lubis explaining his conduct. Agreeing, in a press review, that theoretically, he was guilty of insubordination, Lubis implied that no other alternative had been open to him. Since the outbreak of the Revolution the army had been subjected to political pressures of all kinds, having become involved in insurrections like the Madiun incident:

"In all these affairs it became apparent that certain groups wanted to manipulate the army for their own ends. Slowly the conviction grew in the army that it needed to free itself from such influences. . . . I could have left everything as it was, but a man of responsibility cannot do that. I therefore decided to act as my conscience dictated. Islam teaches me that I must obey my leaders, but also that I must do good works for the general welfare." (Nieuwsgier, Jakarta, June 28, 1955).

Subsequently, in a widely reported "Order of the Day" to his command (July 17, 1955) Lubis countered charges that he was seeking a militarist dictatorship on the "rubble" of civil government in Indonesia:

The National Indonesian Army does not condone militarism, but it also declines to accept the political opportunism or "civilianism" that has spread in our country. The Army opposes the concept that politics is the only factor to be considered, and that military interests must be ignored. . . . Recent occurrences in the Army have amply demonstrated the attempts to put "political" considerations above those of military strategy, tactics, administration, logistics, or technique.

From the beginning Lubis enjoyed the support of the powerful territorial commanders of the army and against their unanimous opposition the Ali Cabinet proved powerless. It tried to reach a compromise with the army, by sacrificing Defence Minister Iwa, who promptly resigned and immediately accompanied the President on his pilgrimage to Mecca. It also offered to reinstate Lubis, to allow the hapless Utoyo to resign as Chief of Staff, and to give the higher army officers a chance to express their choice on his successor. Though the cabinet then, in effect, bowed to Lubis and his associates, the latter refused to meet the Cabinet halfway, thus forcing the Ali Cabinet to resign. From this particular army policy it seems reasonable to conclude that the army's opposition increasingly extended itself to the entire administration of the Ali Cabinet, not just to the policies of its Defence Minister alone, and that upon evidence of army solidarity, army leaders saw their chance to press their attack home against a cabinet which, in their opinion, had ensnared Indonesia in a political "spoils system" that had brought the prestige of the Government down to a low level, both among Indonesians and abroad.

But whatever the sincerity of Lubis' convictions and the idealism of his motives, the net effect of his successful stand against the Ali Cabinet was, that, unlike the "October 17" affair, the army had been able to circumvent the proper constitutional civilian control over it (no matter how repugnant that control may have been to the army officers), and that on behalf of the principle of ridding itself, of partisan political influences, the army had once again actively entered the political arena. Seen in that light Lubis' cure may have been worse than the disease, and may have strengthened autocratic and autonomous tendencies in the army that were to become apparent later on. In the meantime the Cabinet of Premier Burhanuddin Harahap, which succeeded that of Ali Sastroamidjojo proceeded very cautiously in its relationship with the army, the Premier himself taking the Defence portfolio and consulting frequently with army officers in military matters. Bambang Utoyo duly resigned as Chief of Staff, succeeded, with the general approval of the territorial commanders, by Col. A. H. Nasution, who, it will be recalled, had resigned the same post because of the involvement in the "October 17" affair three years before. Though the Harahap Cabinet was in office only for about a year, returning its mandate after the completion of the first general elections, its conciliatory and moderate policies, and its attempt to clean out the worst nests of corruption did much to establish more amicable relations with the army.

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Unfortunately, this improvement was more than off-set by a rapid deterioration of the logistical and financial position of the army. In three large areas of the Indonesian Archipelago (Achin in North Sumatra, West Java and South Sulawesi) the army has been actively battling Muslim insurgents but with troops that are inadequately paid, housed and supplied. As early as October 1954, there were reports that the army command of North Sulawesi was parti-

icipating in and profiting from the smuggling of copra from the area, the proceeds being used to finance necessary military operations. By October 1956, two years later, it became clear that the army was also a party to the smuggling of rubber and coffee from Teluk Nibung harbour in Sumatra to Singapore, and had become deeply involved in the rebellion of copra producers around Macassar (South Sulawesi) against the now dissolved government copra purchasing commission (Jajasan Koprah). The army's participation in smuggling must be seen first of all against the background of the extensive smuggling of rubber and copra by private producers that has characterised the Indonesian economy for a number of years now, and which finds its explanation not only in the unwieldy and unrealistic fiscal policies of the central Indonesian Government, but also in the lack of meaningful regional autonomy of outlying provinces and areas in Indonesia. I. J. Kasimo, Economic Affairs Minister in the Harahap Cabinet, revealed that under the tenure of the previous Cabinet the Government was losing about one billion Rupiah a year in revenues because of smuggling in which even high officials appeared to have participated, and the harbour master of the important East Sumatran port of Bagan Siapi Api has declared that in the year 1955 in his territory alone the national treasury was deprived of 4 million US dollars in revenue because of smuggling. Under such conditions and in the absence of adequate budget allocations for army maintenance, army officers may well have felt justified in participating in what was a "going concern." High army officers, among them the territorial commanders of the areas in which the smuggling took place, not only knew of the smuggling by members of their commands, but condoned it and notified Department of Defence as well as Cabinet officials of what they were driven to do because of the deplorable conditions of their units. The evidence is overwhelming that the funds obtained were indeed used for the maintenance and construction of military facilities, as well as for the benefit of the local civilian population. Thus, according to a statement of the chairman of the committee on Defence Affairs of the Indonesian Parliament, the proceeds of the smuggling led by the army in North Sulawesi were used to purchase 5,000 tons of rice, 69 vehicles and 400 bales of white cloth which were distributed among both the military and civilian authorities as well as to charitable institutions in the area. In North Sumatra, the proceeds of the more than 5,000 tons of rubber smuggled out of the country, with army participation, by a Chinese exporter in Medan, to Malaya and Hongkong, amounted to about 75 million Rupiah, roughly half of which has been received by the army; construction and repair of military encampments is now under way.

The army's smuggling has deeply embarrassed the second Ali Sastroamidjojo Cabinet and thus far little constructive action has been taken. There is a general feeling that disciplinary measures against the army officers and personnel involved is out of the question, and that the answer must rather be sought in defining the fiscal relationship between the national treasury and the provinces and regions of the Republic and in giving the latter greater autonomy. It is clear, at any rate, that both in North Sulawesi, as well as in Macassar, army commanders could not fail to respond to the growing restiveness of the civilian population in their territories over the absence of meaningful authority in local fiscal matters, creating conditions that were seriously threatening the economic future not only of the army units stationed there but also of the territories as a whole. There is a sense of feudal noblesse oblige that is deeply embedded in Indonesian social and cultural traditions, and army officers, as a new elite, cannot fail to accept the responsibilities imposed by these popular traditions even

if, by western standards, their conduct becomes unconventional to say the least. Col. Simbolon, territorial commander of North Sumatra, who approved the smuggling ventures of his unit, did not hesitate to display—for an Indonesian and a soldier—unusual emotion as he described the miserable living conditions of his anak anak ("children"), i.e., his troops. This benevolent paternalism is strongly developed in Indonesia, and no solution of the incipient "warlordism" of the army can fail to reckon with it.

Moreover, the army's conduct may well have neutralised to a large extent more serious disruptive trends that could have brought the country to the brink of civil war. By making itself the rallying point of popular discontent and by channelling the discontent to some degree (as in Sulawesi), the army command may well have contributed to that small margin by which constitutional government has largely been preserved in Indonesia, even if at the cost of jeopardising the authority of an over-centralised national government. To say this, however, is not to minimise the fact that once again the army has been able to ignore, if not to flout, the civilian controls imposed on it and that its officers by their very adherence to the traditions of benevolent paternalism may find themselves on that perilous decline that swiftly leads to the point where they are no longer able to refuse further concessions to those who look to them for leadership.

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In the interim, major problems of army organisation and supply remain. There is a desperate shortage of army physicians (1 physician for every 2,000 troops), 80 percent of the infantry's weapons are obsolete because of age, the mechanisation of many units is far behind schedule—to name but a few difficulties. Slow progress is now being made toward the formation of a standing cadre, supplied by yearly conscript levies, and a conscript law is being prepared for parliamentary approval. Meanwhile the army is being reduced in size. Col. Nasution, the present Chief of Staff declaring in June 1956, that the army was then 185,000 strong, a reduction of 15,000 when he assumed command about ten months before. At the same time a redoubled effort is being made to integrate the troublesome lasjkar groups into the national army. Thus recently two leaders of the "People's Army" of South and Central Sulawesi took an oath of loyalty to the Republic, and their followers are expected to follow.

But the public reaction to the army's repeated excursion into politics and its recent smuggling ventures have created an attitude of uncertainty in many layers of society toward the army, a widespread sense of confusion, which in turn has made army leaders extremely sensitive. A case in point was the incident involving a Chinese engineer and businessman Han Swie Tik, who, after an argument, hit Dr. Harsono, an Indonesian army captain-physician, so severely that the latter had to be sent to hospital. Mr. Han was arrested by military police, then set at liberty, then arrested again by the military police and finally turned over to civilian authorities, who upon examination set a date for his trial and again set him free. The civilian prosecutor who, after arraigning Mr. Han, had set him at liberty, declaring that "he is no criminal," was so severely criticised by officers groups that he was transferred. Unknown assailants twice fired some 60 shots at a business establishment in the heart of Jakarta, of which Mr. Han is co-owner.

The whole affair took an unexpected turn, however, with the circulation of reports that Mr. Han and his business associate, Mr. Njoo Tik Hien, had connections in the army high command and were attempting to influence high ranking officers on their behalf. The whole incident thus came

to be related to the question of graft and corruption in government circles and soon Jakarta as well as other cities were the scene of the distribution of pamphlets, prepared by an organisation called Pelaksana Revolusi 1945 ("Executive of the Revolution of 1945") in which Mr. Han and other Chinese were directed to make known the names of Indonesian Government officials who were bribed by them or are in their pay. Mr. Njoo Tik Hien was subsequently kidnapped by unknown individuals and a similar fate befell another Indonesian Chinese, Mr. Lie Hok Thay, acting director-general of the National Printing plant, whose disappearance was initially believed to have a connection with the Han-Harsono incident. Unexpectedly it was announced, however, that Mr. Lie Hok Thay had been arrested along with another Indonesian for alleged malversation and corrupt practices in the printing of election ballots last year. According to their testimony they were not alone, however; participating in their venture, so they alleged, was none other than Ruslan Abdulgani, the present Foreign Affairs Minister. On the day that Abdulgani was to fly to London to attend the conference on the Suez Canal crisis, a young army officer entered his home, holding an order for his arrest. Only the interference of Premier Ali Sastroamidjojo and of the Chief of Staff, General Nasution, secured for Abdulgani permission to depart on his London journey. Upon his return, two weeks later, a special commission, composed mainly of Cabinet Ministers, interrogated him and cleared him of all complicity.

Again the army had entered into political life, for the order detaining Ruslan Abdulgani had been signed by Col. Kawilarang, then territorial commander of West Java, but, it is widely believed, originated with Col. Zulkifli Lubis, whose zeal to bring to light all corruption and malversation in government had led to his successful stand against the graft ridden first administration of Ali Sastroamidjojo. Whether the Han-Harsono incident had initiated a further investigation by the army that had led to the door of the Foreign Affairs Minister may not be known for some time. Nor is it known what evidence, if any, the army possesses against Sjamsuddin Sutan Makmur, former Minister of Information in the Cabinet of Burhanuddin Harahap. Makmur was arrested on the same day that Abdulgani was detained, also on orders of Col. Kawilarang, but subsequently released because of insufficient evidence of any malversations. Not the least curious aspect of the "August 13" affair is that the Army Chief of Staff, General Nasution appears to have been completely unaware of his subordinates' intention to arrest Abdulgani and Makmur. Moreover, it is remarkable that Col. Kawilarang took his unusual measure 36 hours before he was scheduled to transfer his command and take up a new post as military attache in

Washington, D.C. If anything, the "August 13" affair demonstrated the lack of coordination, discipline and cognizance of orderly procedures in the army high command.

Whatever the outcome of the whole incident, it would also appear that the army found itself to be once again a crucible of deepseated antagonistic forces in Indonesian society, some directed against the Chinese minority, some expressive of a more general uncertainty and frustration, others again being simply opportunistic. Whatever the upshot of the "August 13" affair it would seem that some ranking army officers and their followers find it difficult to disengage themselves from current political and social problems and that their own frustrations and difficulties in a climate of popular uncertainty are apt to be projected on to a much larger screen, embracing the deep Chinese-Indonesian rift in the country today, as well as the question of corruption in government, just as the smuggling incident reflected the much larger issue of regional autonomy in Indonesia. The army finds itself, therefore, called upon to decisively interfere in political life, if only to preserve a measure of stability in the state. Another illustration of that was the acceptance by the National Security Council of Indonesia of a decision of the Army Chief of Staff, Gen. Nasution, to prohibit the publication or dissemination of any printed material derogatory of President, Vice-President, Members of Parliament or any Government official executing his task, or tending to arouse enmity toward certain groups or toward the state. The reason for this unusual order, promulgated on September 14, 1956, was the flood of highly incendiary propaganda by separatist groups against the allegedly "Javanese dominated" central Government, against Chinese who are desirous of citizenship or against "Dutch provocateurs" in the country. The propaganda flood had its inception in the Han-Harsono affair, and reached new heights during the "August 13" incident and after, when the government was buried under an avalanche of hostile criticism and innuendo in many newspapers. Whatever the justification of the measure the Indonesian press is almost solidly against it, many questioning its constitutionality if not its wisdom. But to the army, charged with the maintenance of security, the press has failed to curb itself and has added immeasurably to the uncertainties and confusions in Indonesian public life, thus making the order indispensable to the execution of its task.

Indonesian leaders have always shown a remarkable ability in avoiding head-on collisions of hostile political forces. Their unerring sense of finesse and compromise is perhaps their greatest asset also in the painful evolution of army organisation and inter-governmental relationships and in the attainment of that constitutional stability so ardently desired by Indonesians and their friends.

COMMERCE AND INDUSTRY OF HONGKONG IN 1957

(Extracts from the 1957 Report of the Hongkong General Chamber of Commerce)

CIVIL AVIATION

Very satisfactory progress was made during 1957 on the construction of the promontory which will contain the new runway and parallel taxiway, and it is now anticipated that the new runway will be brought into use about September, 1958, i.e. 2½ years after work was commenced. Detailed planning continued on the new facilities to be associated with 24 hour operation of the Airport. Outline

sketches of the proposed new terminal building were submitted to Government by the Consulting Architect midway through the year, and more detailed drawings were submitted to Government towards the end of the year. Approval was obtained for the building of a new Airport Fire Station and a Temporary Control Tower, while detailed drawings of a new Freight Shop, an Airport Post Office and the public part of the proposed Terminal Area were prepared for consideration by Government.

A specification for Airfield Lighting was placed out to tender towards the latter end of the year and it is hoped that the greater part of these installations will be completed by the end of 1958. Orders were placed for Radio/Radar Air Navigation Aids, some of which will be in operation when the new runway is brought into use.

1957 showed yet another increase in the amount of traffic using the Airport, and this increase was of the order of 13 per cent for aircraft, 28 per cent for passengers, 20 per cent for freight and 5 per cent for mail. Regarding passenger traffic, the increase was somewhat larger than world wide trends which showed an average increase of 16 per cent throughout the year.

The only new type of aircraft of note seen during the year at Hongkong Airport was the Bristol Britannia, operated by British Overseas Airways Corporation, which commenced air services London/Tokyo via Hongkong in July 1957. Hongkong Airways, operating Vickers Viscount aircraft, commenced their air services to Taipei, Tokyo and Seoul in the early part of the year, while Cathay Pacific Airways commenced operating to Laos, Cambodia and the Federation of Malaya during the latter half of the year. New operators into Hongkong during the year included Swissair, Air Laos and Royal Air Cambodge, while Union of Burma Airways carried out a series of proving flights towards the latter end of the year.

The Far East Flying Training School continued to provide ab initio flying training up to Private Pilots Licence standard, and also trained students in aeronautical engineering and electronics.

As in previous years, Hongkong Aircraft Engineering Company Limited continued to provide engineering maintenance service to the majority of airlines serving Hongkong. The number of these major carriers now handled by this Company has risen to 18 with a significant change during 1957 from the old familiar DC-4 and Constellation to the Super Constellation, Britannia and Viscount aircraft. It is interesting to record that 1957 saw the introduction of "Prop-Jet" aircraft into regular service in Hongkong and while this may now be commonplace to the general public, the preparation, equipment and training of personnel involved to insure the high technical standards so necessary in aviation has been a major undertaking successfully carried out by the Company. Equipment ordered by the Company to enable them to overhaul "Prop-Jet" engines commenced arriving during the year so that by mid 1958 they will be in a position to overhaul and test both piston engines and gas turbine engines.

In addition to keeping pace with new types of aircraft and engines coming into service the Company has continued to overhaul a wide range of the more familiar types with their instruments and accessories. Major experiments of these were:— 1. The complete overhaul of a DC-6B aircraft of Canadian Pacific Airlines. 2. The rebuild and conversion to passenger type of one Catalina. 3. The overhaul of four DC-4s, sixteen DC-3s, five C-46/Commandos, one Catalina and one Grumman Mallard. 4. The major inspection, modifications or repairs to Viscounts, DC-6, Venoms, Catalinas, Mallards and other types. 5. Piston engine overhauls continued at the same rate of about 185 during the year for companies registered in South Korea, Hongkong, Laos, Vietnam, Malaya, Thailand, Burma, Indonesia, North Borneo, New Guinea and New Zealand.

INSURANCE

The slight improvement in the Colony's trade during 1957 helped insurers to maintain, if not increase their premium income. Several new insurance companies entered

the market, notably some of the leading Japanese companies. There are now over a hundred non-life companies actively underwriting in Hongkong catering for the requirements of the public.

The year was notable for the unusually large number of Marine casualties closely affecting Hongkong. Much of the cargo in two vessels which became total losses was insured in the Colony. It was hoped that the easing of the embargo on China trade would stimulate Marine business for Hongkong insurers, but this has unfortunately failed to have any noticeable effect.

There were no serious fires during 1957. However, the Canton Road fire in February which involved heavy loss of life, was an unpleasant reminder of the danger of fire in congested living conditions. The apprehensive period for riot insurance was lifted in February and after a further period of peace and quiet, rates returned to their normal level in May. It is interesting to note that there has been no appreciable demand for riot insurance since the disturbances in October 1956.

There was a further increase during the year in Workmen's Compensation insurance largely due to the heavy rebuilding programme now so much in evidence. The overall results of the insurance of Private Motor Cars in the Colony showed further deterioration and many underwriters are becoming increasingly selective in their acceptances of the older cars and of owners with limited driving experience.

THE PORT

Harbour and Approaches: 1957 saw completion of some of the big projects which affect the shape, if not the efficient working of the port. The new runway for Kai Tak Airport was completed and will be brought into use during 1958 and the new piers for the Star Ferry Company Ltd. were brought partly into use during the year. Although the various reclamation projects have certainly affected the set and speed of tides there is no indication that they have made the port any less safe for navigation. Maintenance of mooring buoys was continued throughout the year and early in the year replacement of old mooring blocks with 90 ton blocks of a modern design was completed on the last of the 28 'A' class moorings suitable for vessels up to 600 feet in length.

Dockyards: The dockyards had another busy year. Tai-koo Dockyard and Engineering Company Ltd. delivered during the year the new 6,500 ton motor cargo vessel "Chekiang" which they had built for the China Navigation Company. They also launched another similar vessel for the same owners and they have two further ones under construction as well as a refrigerated cargo vessel for the Union Steamship Company of New Zealand. The company also delivered a variety of bunkering, cargo and mail lighters to various owners and a number of harbour launches. Launchings at the Hongkong and Whampoa Dockyard and Engineering Company's yard included a motor water tanker for Singapore as well as a pair of ferry-boats for the Star Ferry Company and some launches and medium sized cabin cruisers, whilst the company has under construction two 400 ton passenger and cargo vessels for Singapore as well as a similar small vessel of 240 tons. A wide variety of new construction work was carried out at the various other smaller yards in the port. Repair work was carried out by the two major yards on more than 1,500 vessels of all types with about one third of this number being dry-docked or slipped. Major repair work at the Tai-koo Yard included the rearrangement of passenger accommodation for several liners on the Singapore-West Aus-

tralian service and the lengthening by over 30 feet of a tanker owned by the Shell Company. At the Hongkong and Whampoa Yard, extensive special surveys on eleven large tankers and on twenty freighters as well as running surveys on a large number of other vessels were carried out. This company also did extensive damage repairs on the oil tanker "France Cove" which had been involved in a collision with an Australian troopship in the Torres Straits.

Ocean Shipping: When the year began the Suez Canal was closed and ships to and from Europe were routed round the Cape of Good Hope. A freight surcharge of 15% was charged to pay for the longer voyage but the extra steaming imposed a severe strain upon the shipping lines who had difficulty in maintaining their schedules. As a result, freight space became tight and there was a reduction in the total number of sailings. The shipping companies did their best by chartering and by re-adjusting their schedules to maintain proper liner services. The Canal was reopened in April, the surcharge withdrawn, and as schedules returned to normal freight space became easier. During 1957 there was a steady decline in tramp freight rates and by the end of the year charter rates were below those in force prior to the Korean War. In the second half of the year there were signs that less cargo would move to and from Hongkong owing to a reduction in business due to high interest rates and the general tight money position, and it appears that 1958 will see a reduction in the quantity of cargo that moves. Hongkong has maintained its unique position as a shipping centre and direct shipping services are available to ports in Canada, North and South America, Europe, India, Australia, New Zealand and Africa. In addition, cargo can be shipped with transshipment to the many other minor destinations that are not served by direct ships.

Short Sea Trades: During the first half of 1957 liner and tramp companies operating in Far Eastern waters were kept busily occupied as there was a general shortage of tonnage mainly resulting from the closing of the Suez Canal. Japan's exports to South East Asia continued to run at a high level, and China greatly expanded the trade, particularly with Malaya and Indonesia. In the second half of the year cargo movements declined steadily and freight and time charter rates fell as more ships became available, and towards the end of the year owners were finding it difficult to secure profitable employment for their ships. A number of old and uneconomical ships have been scrapped or laid up and the prospects for 1958 look depressing.

THE IMPORT TRADE

Although import figures for the year were the highest since 1951, most merchants look back on 1957 with mixed feelings. This high level of imports occurred mainly in the first two quarters of the year and, as is explained in another part of the Report, was partly the result of over-buying in 1956 and partly the result of late arrivals of shipments diverted round the Cape which reached the port at about the same time as later shipments coming through the Suez Canal. By the middle of the year, reaction had set in and the Hongkong market began to feel the effect of the downward tendency of the major world commodity prices in addition to the depressing effects of credit restrictions in the United Kingdom. Although re-exports to China are infinitesimal nowadays compared with what they were before the war, and bear no relationship whatever to the exceptional year of 1951, Chinese buying policy still has a big bearing on Hongkong market conditions. During recent years it has become very evident that whereas China values good and reliable merchanting service and will use Hongkong in this respect when it is economic for her to do so,

she has no intention of paying extra for those services when she can get their equivalent by direct dealing.

Chemicals

The trend for China to be a net exporter of the major alkalis continued throughout 1957 and China continued to follow her established and logical policy of ordering her requirements from abroad on a direct shipment basis. Her purchases, therefore, from this market in all the major industrial chemicals were very limited in scope but Hongkong representatives (as distinct from agents) of foreign shipowners had several opportunities, which they took, to negotiate business for direct shipment. Trade with the Philippines was not so good as in 1956, whilst, except for caustic soda, Korea continued to purchase good quantities of most chemicals from Hongkong and trade with Thailand was better than last year.

Dyestuffs

Although the Colony's re-exports of dyestuffs were of a lower total value than in 1956 by some \$6 millions, there was an increase in sales to practically all the Colony's traditional markets. The earlier year's figures had been pushed up by the inclusion of nearly \$11 millions worth of dyestuffs shipped to Indonesia which has never previously been a market for Hongkong's re-exports of this class of goods. China re-entered the market which she had virtually shunned in 1956 and her purchases valued at \$6.4 millions were more than three times last year's figure. There were also substantial sales made for direct shipment. Exports to Korea continued at about the same level and there was a small increase in shipments to the Philippines. Hongkong's off-take rose appreciably during the year as the textile finishing industry expanded and indications are that the local market will become more important as time goes on and a greater proportion of locally manufactured cloth is actually finished in the Colony. The market was very highly competitive all through the year and indications were that margins were the smallest that local merchants have been able to get for several years.

Synthetic Fertilisers

Although shipments of sulphate of ammonia from Europe to China were badly disrupted by the Suez crisis in the Autumn of 1956, there was no indication that the simultaneous arrival of 'round the Cape' and 'through the Canal' cargoes seriously embarrassed China and she continued to take delivery throughout the year to a total quantity of about three quarters of a million tons, almost all of which was shipped direct in chartered ships. There was a very small quantity (10,000 tons) of sulphate which actually moved through the port and the only other buyer ex Hongkong was North Vietnam. China's bookings for 1958 are reported to be as heavy as ever, and, with Japan entering the market, prices may well be forced down a shade but it is encouraging to note that China still regards supplies of this commodity as being of the highest priority.

Pharmaceuticals

Importers of pharmaceuticals had a somewhat better year in 1957 than in 1956 and, despite the fact that China continued to place most of her business for anti-biotics on a direct shipment basis, there was an all round increase in the re-export trade. China was the biggest buyer of vitamins and vitamin preparations, taking \$1.7 millions worth out of a total re-export of \$4 millions. The Philippines was the next biggest buyer of this class of goods,

taking \$1.4 millions worth. In the anti-biotics field there were some big sales to Australia, valued at \$6.6 millions, but these are not regarded as being a permanent feature of the Colony's trade but, even excluding this figure, sales for the year were three times 1956 figures and good business was done with the Philippines (\$4.7 millions), South Korea (\$3.8 millions) and Thailand (\$3.5 millions). Re-exports of sulphonamides also rose by nearly 100 per cent to a total of \$4.5 millions worth with, once again, China being the biggest buyer, taking \$3.5 millions worth. With supplies being plentiful, competition in the local market, which is substantial, continued to be fierce. However, with the good offtake for re-export, it was possible for merchants to obtain margins about the same as in 1956.

Metals

The story of the metals market is fairly clearly told by the following figures extracted from the Trade Returns showing a comparison by values of imports of metals of various 'dealer' types for the first two quarters and for the full years of 1956 and 1957.

		1956 \$ millions	1957 \$ millions
Iron & Steel Bars and Rounds	1st Quarter	1	32
	Half Year	10	62
	Full Year	33	79
Black plates below ½" thick	1st Quarter	8	14
	Half Year	20	25
	Full Year	35	42
Mild steel plates over ½" thick	1st Quarter	2	13
	Half Year	8	24
	Full Year	25	36
Galvanized Iron Sheets	1st Quarter	20	35
	Half Year	48	42
	Full Year	59	45
Tubes & Fittings (Drawn & Cast)	1st Quarter	3	5
	Half Year	7	15
	Full Year	14	23

It was a poor year for dealers with new business at a very low level, especially in the second half of the year. In this respect, Hongkong was in very much the same position as London, where the market was also in a depressed state. The principal reason for this was that there had been fairly heavy buying in 1956, this tendency becoming more pronounced as the Suez crisis developed. Added to this was the fact that, during the first month or two of the new year, there arrived in Hongkong all the cargoes that had been diverted round South Africa as well as those which were shipped through the Canal when it reopened and the net result was that, by the half year, the Hongkong market was heavily over-stocked and dealers, during the second half year, could not sell at prices anywhere near replacement costs even if they were able to sell at all. Not much prospect is seen for improvement in 1958, or until a steady demand develops on a world wide basis. Importers of heavy sections had a steady year, supplying girders and other building steels in performance of existing contracts.

Cotton, Rayon and Synthetic Textiles

Pakistan was again the principal supplier of lower counts of cotton yarn, registering an increase of some \$1.8 million, whilst supplies from China declined by some \$4.3 millions, re-exports to Indonesia fell off to the extent of \$10.7 millions, whilst Thailand's demand increased by \$2.6 millions. In middle-grade yarns (32's/42's counts) both Japan and China supplies dropped to the extent of \$15.7 millions and \$3.4 millions respectively, re-exports to Indonesia and Thailand being down by some \$13.0 millions in total. Rayon yarn imports were up by some \$4.0 millions

—mostly from Japan. Nylon yarn imports gained to the extent of some \$14.0 millions, West German supplies competing favourably with U.S.A. and Japan imports. There was a serious decline in import values of synthetic fibre yarns, mainly from Japan, of some \$27.0 millions, and re-sales to Indonesia and South Korea decreased by \$34.9 millions. In the piece-goods market Chinese supplies of grey drills, ducks and jeans increased slightly, and there were substantial gains in imports from both Japan and China of grey shirtings, but imports from China of grey sheetings fell from \$43.6 millions to \$25.6 millions. Imports of poplins from Japan improved from \$34.9 millions to \$53.2 millions, and this is reflected in the increase in export of made-up shirts of \$11.7 millions. Imports of Rayon fabrics were approximately the same as for the preceding year with the exception of Japanese shipments which decreased by some \$28.3 millions. Exports to Indonesia fell off from \$55 millions in 1956 to \$18 millions in 1957. Fabrics of synthetic fibres were imported in approximately the same quantities as during the previous year, Japan being easily the leading supplier with shipments of \$31.9 millions.

Woollen Textiles

The woollen yarn market was seriously affected by the fall in demand from South Korea (which has now commenced to spin woollen yarns), the offtake by that market having declined from \$25 millions in 1956 to \$5 millions in 1957. Stocks have accumulated in Hongkong and the stock position is heavily overloaded. Local wool spinners have been severely handicapped by the lack of demand from South Korea and also by offerings from Japan at less than local production costs. Imports were down by some \$5.7 millions, U.K. supplies being less by \$1.5 millions, U.S.A. by \$1.7 millions, Belgian by \$1.8 millions, and French by \$0.6 millions whilst Japanese supplies increased by \$1.4 millions. The quantity of yarn used for the production of gloves has increased and apart from the rather small retail demand continues to be the main offtake for yarn imports. The market for woollen and worsted piece-goods was considered to be satisfactory in 1956 and this led buyers to increase their purchases for 1957, total imports being higher by some \$20 millions in 1957 as compared with 1956. The increase in imports of suitings and tweeds was some \$6 millions, from U.K. (\$28.5 millions) being up by \$1.4 millions, and from Japan (\$14.7 millions) an increase of \$3.4 millions. In wool fabrics other than suitings U.K. imports increased by \$3.6 millions, and Japan imports by \$5.3 millions.

Imports of woollen mixture fabrics included increases in imports from U.K. of \$2.3 millions, from Japan of \$1.0 millions and Italy \$0.4 millions. Unfortunately the market experienced three setbacks:— (a) The weather from October to the end of the year was unseasonably warm and local demand was slack. (b) South Korea, which during recent years had taken good quantities of woollen and worsted suitings, overcoatings and ladies goods, was not in the market as apparently no exchange allocations had been made to cover supplies from Hongkong. (c) There was a curtailed supply to American Servicemen whose recreational visits during the period September/December were less than anticipated by the retail trade. In spite of these setbacks the market continued fairly active but stocks on hand are excessive and buying for 1958 is anticipated to be on a restricted scale. Imports of woollen knitting yarns increased by some \$5.0 million, imports from U.K. being up by \$2.0 millions and from Japan by \$3.0 millions. In this commodity exports to South Korea were fairly well maintained, the value being \$4.9 millions as against \$5.5 millions in 1956.

THE EXPORT TRADE

China Produce

Merchants handling China Produce had, on the whole, a very disappointing year. Although there was evidence to show that China is prepared to use the experience and connections of Hongkong merchants for placing her goods on world markets, at any rate until the contacts are established, there were, during 1957, only a very few opportunities to trade and small quantities available. Whether this scarcity of cargoes offering was due entirely to most produce being already committed for barter deals with East European States, to a fall in supplies or to an increased proportion being allowed for home consumption, is not readily apparent but, until such time as offers can be obtained on a more open basis, local exporters do not see much prospect for better conditions.

Feathers

The feathers trade became further depressed during the year with a decline in shipments of feathers and downs from \$18 millions to \$14 millions in value of exports. There are several reasons for this situation, one of the more cogent being development in Indochina and Thailand of their own cleaning and processing industry which has led to severe competition in export markets and to drastic reduction in supplies coming to Hongkong for processing. In addition to this, extremely low floor prices in Indochina complicated normal trade with Hongkong which is generally conducted on a barter type basis. The market over-all has been very depressed and high prices for Chinese supplies discouraged European buyers from expressing any interest. There were, also, many offers being made from East European countries of Chinese feathers at lower prices than they could be obtained from China direct. At the Canton Export Exhibition in November, official prices were lowered by a little more than 20 per cent overnight but, at the end of the year, there were no indications that this was having the desired effect in any appreciable quantities and European buyer resistance remained strong, possibly in anticipation of further reductions. In view of the above, prospects for 1958 are not at all encouraging for Hongkong merchants unless there is to be some fairly radical change in methods of offering Chinese feathers.

The following figures extracted from the trade returns show how the trade has moved in feathers. A very similar pattern is shown in downs, the only major difference being that in downs the fall in volume and values was even greater.

Imports			
	1956	1957	
	lbs. (000)	\$ (000)	lbs. (000)
China	744	2,404	1,165
Indochina	717	1,762	604
Thailand	618	1,885	217
Taiwan	571	2,491	196
Malaya	285	647	376
Burma	237	485	234
Total	3,452	10,641	3,009
Exports			
	1956	1957	
	lbs. (000)	\$ (000)	lbs. (000)
W. Germany	2,303	8,478	1,562
Norway	534	2,141	619
U.K.	283	1,117	53
Denmark	225	974	68
U.S.A.	22	264	21
Total	3,573	14,806	2,614

Hides

During the first half of 1957, cowhides as well as buffalohides displayed a steady tendency, with worthwhile enquiries emanating both from Europe and Japan, but during the second half of the year buyers were inclined to hold off and prices declined in consequence. Moreover, in regard to cowhides, Mainland China, which is the chief supplier to this market, was reported to be offering increasingly to Europe and Japan direct, thereby substantially reducing the volume of business handled via Hongkong, where these hides used to undergo additional treatment and resalection. This trend away from Hongkong is likely to continue insofar as cowhides from Mainland China are concerned, and the figures quoted below already give an indication of the trend.

Imports			
	1956	1957	
Total:	85,593 cwts. HK\$11,837,032.—	84,282 cwts. HK\$11,241,405.—	
of which there came from:			
China	63,613 cwts. HK\$ 8,775,507.—	45,370 cwts. HK\$ 6,829,304.—	
Thailand	20,428 " " 1,783,700.—	26,578 " " 3,083,065.—	
Malaya	3,937 " " 524,159.—	5,228 " " 720,456.—	
Exports			
	1956	1957	
Total:	100,339 cwts. HK\$14,408,095.—	66,942 cwts. HK\$ 9,476,853.—	
of which there were shipped to:			
U.K.	15,036 cwts. HK\$ 1,774,924.—	11,199 cwts. HK\$ 1,320,850.—	
Germany	6,664 " " 841,081.—	5,410 " " 742,535.—	
Formosa	10,222 " " 1,695,241.—	16,534 " " 2,824,634.—	
Japan	40,802 " " 7,637,410.—	16,911 " " 2,515,615.—	
Middle East	4,716 " " 612,249.—	2,010 " " 284,649.—	

Essential Oils

Any review of the essential oils trade must, to those who have long memories and can think back to the prewar trade, seem to be referring to an abandoned industry. The whole trade is coloured by the fact that long years of shortage and uncertainty of supplies and irregular qualities have inevitably led to a decline in world demand for natural products due to the emergence of synthetic essences which are stable as to quality and are available at prices generally in line or cheaper. In the cassia oil trade there were a few hundredweights more moving through the port than in 1956, although generally world consumption of this product is down and France, traditionally one of the bigger buyers, bought most of her supplies direct. A total of 844 hundredweights moved through the port with Canada the largest buyer taking nearly one third of the total, other leading buyers being the United Kingdom and Japan. The trade in aniseed oil declined by more than 20 per cent compared with 1956. This was brought about by barter trade and a fair amount of other direct business in some of which local merchants had a hand. There was some local distillation and, in the cheaper qualities, there was some useful trade in Haiphong oil. However, world prices were on a downward trend throughout the year and business generally was difficult. France, taking just over 1,000 tons was the biggest buyer, with the United Kingdom second on the list and smaller shipments being made to Australia, Japan and to various European continental countries.

Shipments of peppermint oil also declined about 20 per cent, although some good business was done for small lots of the higher qualities. The demand in France dropped sharply and, although it retained its position as the Colony's largest buyer, bought less than half as much as in 1956. There was a small increase in shipments to the

United Kingdom but, in most other markets, the tendency was the same as in France. Demand for sesame oil also fell away and, although Canada retained first place in the list of buyers and actually increased her purchases, sales to other markets dwindled to almost negligible proportions. There was a small increase in the volume of citronella oil which moved through the port but as during the year prices declined by nearly 50 per cent, the value of shipments showed an over-all drop as compared with the previous year. During the majority of 1957, world prices were well below the floor prices set by the Taiwan authorities and this discouraged Hongkong traders. Plentiful supplies were coming forward at the end of the year from Mainland China and it seemed likely that the market would be glutted thus further depressing prices. The story of the menthol crystals trade is somewhat different from that of the essential oils. Indonesia virtually disappeared from the market buying less than one sixth of what she took in 1956 when her purchases were 38,000 pounds, valued at more than \$1.5 millions. However, prices rose by just over 10 per cent during the year and some of the deficit was off-set. Indications at the end of the year were not too promising with most of the regular buying countries being short of foreign exchange, so that the outlook for 1958 is not promising.

Oils, Oilseeds and Kernels

Shipments through the port in 1957 were somewhat higher so far as oils were concerned but lower as regards oilnuts and kernels. However, the figures shown in the Hongkong Trade Returns do not reflect fully the amount of business which has been handled by local merchants as, in this particular trade, after a period during which local shippers were unable to get any offers from China which would allow them to quote in world markets with any chance of competing against produce which was being negotiated and shipped direct, there has been a tendency to use the Hongkong merchants and their ready-made sales organisations on a somewhat wider scale, although the majority of the business is still on a direct shipment basis. A total of 10,000 tons of wood oil moved through the Colony, of which over 4,000 tons was once again shipped to Japan. Shipments to Australia were down in bulk and value by about 40 per cent, owing to import restrictions. The market in the United Kingdom was more active, both for shipments ex Hongkong and direct. The majority of shipments to London were in bulk whilst to continental Europe there was a resurgence of interest in drummed oil in smaller quantities to a value of more than \$2 millions for the year compared with no business at all in 1956.

South Africa was a bigger supplier to Hongkong of groundnut oil during the year than was China, the great proportion of imports from the former country being for local consumption. Only a small proportion of China's exports of this oil were handled by Hongkong merchants, the great majority being sold through East European countries. An even smaller proportion, valued at \$11 millions, moved through the port with more than half of this going to Burma (\$6.3 millions) and almost all the rest going to Malaya (\$2.7 millions) and Macao (\$1.3 millions). The big increase in sales to Burma, which had bought no oil from the Colony in 1956 arose chiefly out of the more regular shipping space available to Rangoon from here than can be obtained from Europe. Teased oil shipments through the Colony were negligible, although some business was negotiated for direct shipment and there was a small but worthwhile trade conducted in coconut oil from Malaya, mostly going to North Vietnam but, again, there being some useful small shipments to Rangoon. In the oilnuts and seeds trade, the

changed role of the Hongkong merchant firm was even more apparent than in oils with a great deal more business being negotiated on a direct shipment basis than was handled through the port. For example, less than three thousand tons of groundnuts moved through the Colony and nearly half of these came from Africa whence, the season being at the other end of the year, it is possible to keep supplies available for markets like Japan, which was our biggest buyer. Only just over 1,000 tons of soya beans were exported but, in this commodity, for which the Colony has a substantial local consumption in soya sauce and bean milk factories as well as for food, exports have been mainly confined to small job lots. The majority of the 7,000 tons sesame seed which moved through the Colony was of Cambodian origin on its way to Japan.

Pine Resin

Although shipments of resin through the Colony fell to less than a third of the 1956 volume and value, China increased her production of this commodity and local merchants received plentiful offers with which they were able to transact business on a direct shipment basis, particularly to the United Kingdom and Japan. Of the 8,000 tons shipped from Hongkong 2,700 tons valued at \$2.8 millions went to the U.K. and just under half this quantity to Japan whilst useful business was done with South Africa.

Tea

Exports from Hongkong in 1957 were increased by some 0.36 million lbs. as compared with 1956, but there was a drop in value of \$0.65 million. It is understood that the London market, which took 1.5 million lbs. as against 1.0 million lbs. during the preceding year, did not repeat purchases of better grade teas bought in 1956, and the value of teas shipped to London remained at the same figure as in 1956, i.e. \$1.8 million. Generally speaking Hongkong merchants negotiated more business for direct shipment than in 1956, and the carry-over of Formosan black teas was absorbed. Prices throughout the year continued to be stable, and shippers look forward with confidence to steady continued business during the coming year. No progress can be reported concerning negotiations between U.K. and Morocco to permit importers to open credits in favour of Hongkong exporters for the importation of Formosan green teas into North Africa, and consequently no business in Formosan green teas was possible. Total exports from Hongkong amounted to 8.2 million lbs. valued at \$16.0 millions, Malaya being again the largest buyer, taking \$4.9 millions worth. Other leading buyers were the United Kingdom \$1.8 million, Thailand \$1.3 million, Australia \$1.2 million, U.S.A. \$1.2 million and Middle East \$0.9 million.

Silk

The Colony's participation in the raw and waste silk trades declined further during 1957 and most exporters now feel that there is at present little or no incentive for them to maintain their connections in the trade as the majority of the business is being done direct. Raw silk shipments, valued at \$4.4 millions, were somewhat under half those made in 1956, the biggest buyers being Italy and Indo-China, and no shipments whatever being made to Indonesia which had been our biggest customer in the earlier year. The great majority of the Canton waste silk which passed through the Colony went to Japan, total shipments, valued at \$2 millions, being just over half 1956 figures.

(To be Continued)

HONGKONG STATISTICAL REPORTS

January-March 1958

Vital Statistics—Jan.-Mar. Totals: Births, 23,134; Deaths, 5,091.

Food Supply—Jan.-Mar. Totals: Animals Slaughtered, 265,501 head including 237,403 head of hogs; Fish Marketed, 12,012 tons; Vegetables Marketed, 25,655 tons including 553 tons imported.

General Retail Price Index—(March 1947: 100)—Jan., 113; Feb., 118; Mar., 116

Hongkong Clearing House Figures—January, \$1,555,568,089; February, \$1,332,466,396; March, \$1,293,127,819.

Banknotes in Circulation—January, \$755,174,710 (HK Bank \$691.7 million, Chartered Bank \$59.5 m, Mercantile Bank \$3.9 m); February, \$755,830,070 (\$691.7 m, \$60.1 m, \$4 m); March, \$754,606,575 (\$691.7 m, \$59 m, \$3.9 m).

Company Registration—New Private Companies Registered (Jan.-Mar.): 86 local; 10 foreign. Companies Dissolved or Ceased Operation: 21 local; 5 foreign. Total Number Registered at the end of March: 3,045 local; 371 foreign.

Factory Registration—Jan.-Mar. Totals: Applications Received, 157; Cancelled, 49; Refused 5; Certificates Issued, 126.

Production of Electricity and Gas—Jan.-Mar. Totals: Electricity, 187,095,089 kw. hrs. Gas, 196,838,300 cubic feet.

Production of Cement—Jan.-Mar. Total, 45,656 metric tons.

Production of Minerals—Jan.-Mar. Totals: Feldspar, 542.88 tons; Graphite (80% fixed carbon content), 689.25 tons; Iron Ore (56% Fe concentrate), 25,568.72 tons; Kaolin, 2,397.56 tons; Lead Ore, 12.94 tons; Quartz, 940.18 tons; Wolframite (65% WO3 concentrate), 6.98 tons.

Number of Vehicles and Drivers—New Vehicles Registered in Jan.-Mar. and (Totals on March 31): Motor Cycles, 89 (2,081); Private Cars, 910 (22,943); Taxis, 39 (693); Buses 50 (709); Public Lorries, 509 (2,508); Private Lorries, 130 (2,349); Construction Site Lorries, 29 (384); Government Vehicles, 36 (1,108); Private Rickshaws, 16 (16); Public Rickshaws, 0 (853); Tricycles, 0 (798); Trailers, 0 (6); Sedan Chairs, 6 (6); Tramcars, 0 (138). New Licences Issued in Jan.-Mar. and (Totals on March 31): Motor Car Drivers, 3,057 (79,109); Construction Site Drivers, 13 (822); Driving Instructors, 60 (942); Rickshaw & Tricycle Drivers, 2,910 (2,910).

Kowloon-Canton Railway (British Section) Traffic—Passengers, Jan.-Mar. Totals: Upward, 669,412; Downward, 662,624; Concession Tickets, 25,331. Freight, Jan.-Mar. Totals: Upward, 3,013,170 kilos; Downward, 41,040,610 kilos.

Building Construction—Total Number of Buildings Completed in Jan.-Mar.: 437 (City of Victoria 67, HK Island 106, Kowloon 264). Cost of Building: \$41,783,288 (\$4.9 m, \$15.4 m, \$21.4 m). Cost of Site Work: \$1,562,244 (\$54,419, \$787,866, \$719,959).

HONGKONG SHIPPING IN MARCH

Flag	Vessel		Departed		Discharged		Loaded	
	No.	Tonnage	No.	Tonnage	(ton)	(ton)	(ton)	(ton)
British	201	518,208	280	511,847	121,312	40,669	40,669	40,669
American	20	106,639	21	113,158	8,067	6,213	6,213	6,213
Cambodian	1	557	1	557	848	200	200	200
Chinese	30	11,105	26	10,103	13,240	3,574	3,574	3,574
Danish	20	70,589	21	73,111	32,466	14,829	14,829	14,829
Dutch	20	97,379	21	98,950	15,423	8,751	8,751	8,751
French	8	27,152	9	28,930	5,987	2,099	2,099	2,099
German	5	22,637	5	22,637	1,866	1,866	1,866	1,866
Indian	2	7,008	2	7,008	77	150	150	150
Iranian	1	179	1	179	—	—	—	—
Italian	2	9,656	2	9,656	1,158	260	260	260
Japanese	48	158,195	49	159,983	22,378	33,203	33,203	33,203
Korean	3	6,464	2	4,334	4,329	750	750	750
Libanian	3	6,368	3	6,368	2,681	1,150	1,150	1,150
Norwegian	42	114,699	42	125,065	47,330	11,850	11,850	11,850
Panamanian	12	24,392	17	27,222	27,372	7,821	7,821	7,821
Philippine	3	6,258	3	6,258	268	—	—	—
Polish	1	4,100	1	4,100	—	—	—	—
Swedish	8	33,513	8	33,513	3,399	1,501	1,501	1,501
Yugoslav	3	6,690	3	6,690	1,749	1,002	1,002	1,002
Total	523	1,230,788	517	1,249,669	309,970	135,918	135,918	135,918

HONGKONG AIR TRAFFIC IN MARCH

Regions	Departure		Arrival		Passenger		Freight (Kilos)		Mail	
	Passenger	Freight (Kilos)	Passenger	Freight (Kilos)	Passenger	Freight (Kilos)	Passenger	Freight (Kilos)	Mail	Freight (Kilos)
Australia	167	3,199	769	1,559	159	1,826	270	1,826	270	1,826
Thailand	1,460	19,739	931	1,759	931	9,640	2,874	9,640	2,874	9,640
Borneo	115	2,982	168	1,114	25	39	25	39	25	39
Burma	157	5,100	690	1,152	519	252	519	252	519	252
Cambodia	177	2,231	203	185	21	205	21	205	21	205
Canada	204	1,584	644	44	120	291	120	291	120	291
Europe	219	13,331	2,167	68	8,267	2,404	8,267	2,404	8,267	2,404
Taiwan	914	34,380	1,607	817	3,855	2,237	3,855	2,237	3,855	2,237
Guam	6	2,527	39	1	118	106	118	106	118	106
Honolulu	100	403	200	90	94	106	94	106	94	106
India	296	5,151	476	308	2,765	1,759	2,765	1,759	2,765	1,759
Indonesia	2,557	10,358	3,775	1,972	12,247	11,711	12,247	11,711	12,247	11,711
Japan	2,202	38,175	94	148	3,005	65	3,005	65	3,005	65
Laos	—	—	—	—	—	—	—	—	—	—
Malaya	51	213	431	28	41	268	41	268	41	268
Middle East	111	1,055	501	47	163	—	163	—	163	—
New Zealand	—	—	150	—	—	—	—	—	—	—
Okinawa	141	9,426	74	104	529	46	529	46	529	46
Pakistan	50	1,919	822	44	126	196	126	196	126	196
Philippines	1,763	12,674	910	2,386	3,053	1,131	3,053	1,131	3,053	1,131
Singapore	725	19,803	1,572	716	5,502	4,025	5,502	4,025	5,502	4,025
South America	84	1,653	4	9	47	23	47	23	47	23
South Korea	267	2,218	579	279	160	532	160	532	160	532
United Kingdom	357	10,652	2,528	139	10,692	4,303	10,692	4,303	10,692	4,303
United States	101	4,481	4,182	66	2,090	3,644	2,090	3,644	2,090	3,644
South Vietnam	396	6,058	299	444	4,183	598	4,183	598	4,183	598
Wake Island	—	—	177	1	—	—	—	—	—	—
Ceylon	—	—	173	—	—	—	—	—	—	—
Africa	—	—	806	—	—	55	—	—	—	—
Total	10,627	215,975	25,393	10,101	69,088	37,071	69,088	37,071	69,088	37,071

Direct Transit 864 23,500
Total Aircraft Departures = 376.
Total Aircraft Arrivals = 374.

FINANCE & COMMERCE

HONGKONG EXCHANGE & GOLD MARKETS

	U.S.\$			
	T.T. High	T.T. Low	Notes High	Notes Low
May 19	\$561½	581¼	579½	579½
20	581½	580¼	579½	579
21	581	580½	579½	578½
22	581½	581	579½	579½
23	581½	581¼	579½	579½
24	581¼	581	579½	579¼

D.D. rates: High 580¼ Low 579½.

Trading totals: T.T. US\$4,490,000; Notes cash US\$470,000, forward US\$2,560,000; D.D. US\$340,000. The market was very quiet; the change of the discount rate in London had no immediate effect here. In the T.T. sector, business was active and rates were steady. In the notes market, demand from China for cash reactivated. Interest for change over favoured sellers and aggregated HK\$3.30 per US\$1,000. Speculative positions averaged US\$1¼ million per day. The D.D. market remained quiet.

Far Eastern Exchange: Highest and lowest rates per foreign currency unit in HK\$: Philippines 1.7675—1.76, Japan 0.014475—0.014325, Malaya 1.873, South Vietnam 0.06994—0.06944, Laos 0.051, Cambodia 0.082, Thailand 0.271—0.266, Indonesia 0.085—0.08, Sales: Pesos 220,000, Yen 66 million, Malayan \$310,000, Piastre 8 million, Kip 4 million, Rial 5 million, Baht 2½ million, Rupiah 250,000.

Chinese Exchange: People's Yuan notes quoted \$1.35—1.15 per Yuan. Taiwan Dollar notes quoted \$0.134—0.133 per Dollar; remittances, 0.135—0.134.

Bank Notes: Highest and lowest rates per foreign currency unit in HK\$: England 16.11—16.07, Scotland 14.00, Ireland 13.50, Australia 12.42—12.41, New Zealand 14.50—14.20, Egypt 10.05, East Africa 15.00—14.60, South Africa 15.81—15.80, West Africa 13.00, Jamaica 13.50, Gibraltar 13.50, Malta 12.50, Cyprus 12.50, Fiji 10.00, India 1.1772—1.177, Pakistan 0.80—0.785, Ceylon 0.94, Burma 0.52—0.505, Malaya 1.845—1.831, Canada 5.9625—5.93, Cuba 5.00, Argentina 0.125, Brazil 0.052, Peru 0.24, Mexico 0.40, Philippines 1.8125—1.80875, Switzerland 1.34, West Germany 1.36, Italy 0.0092, Belgium 0.104, Sweden 1.02, Norway 0.72, Denmark 0.77, Netherlands 1.45, France 0.0122—0.012, South Vietnam 0.0735—0.0705, Laos 0.0515—0.05, Cambodia 0.083—0.081, New Guinea 1.00, Indonesia 0.0895—0.082, Thailand 0.263—0.26, Macao 1.005—1.003, Japan 0.01455—0.0145.

Gold Market

	High .945	Low .945	Macao .99
May 19	\$233½	232½	263½ High
20	232½	232½	
21	232½	232½	
22	233	232½	
23	233	232½	
24	233	232½	Low 262½

HONGKONG EXCHANGE RATES

MAXIMUM SELLING:		MINIMUM BUYING:	
Sterling		1/2 13/16	1/2 29/32 T.T.
			With Confirmed
			Letter of Credit
			Without
			Letter of Credit
			OD.*
		1/2 15/16	1/2 31/32
		1/3 1/32	1/3 1/16 30 days
		1/3 3/32	1/3 1/8 60 days
		1/3 5/32	1/3 7/32 90 days
		1/3 7/32	1/3 5/16 120 days
		* (Indirect Sterling On Demand Bills on Europe 1/32nd higher than London Rate).	
Sterling (East & South Africa & Aden).		1/2 13/16	1/3 1/16 O.D. if under L/Credit.
Sterling (West Africa, West Indies South America & Fiji).		1/2 13/16	1/3 1/8 O.D. without L/Credit.
Rupees (India).		82 1/4	3/32 up every 30 days.
		83	5/16 O.D. if under L/Credit.
		83	3/8 O.D. without L/Credit.
		83	3/32 up every 30 days.
		83	T.T.) Bills on Aden:
		83	1/4 O.D.) If under L/C:
		83	11/16 7 & 30) ¼ higher.
		84	days) Without L/C:
		84	1/8 60 days) ¼ higher.
		84	9/16 90 days)
Rupees (Persian Gulf Ports).			3/16 higher than the rate for Bills on Aden.
Rupees (Ceylon).		81 7/8	82 7/8 T.T.
			83 1/8 O.D.
			83 9/16 7 & 30 days.
			84 60 days.
			84 7/16 90 days.
Rupees (Pakistan).		82 1/8	83 1/16 T.T.
			83 5/16 O.D.
			83 3/4 30 days.
			84 3/16 60 days.
Kyats (Burma: Rangoon).		82 1/4	83 T.T.
			83 1/4 O.D.
			83 11/16 7 & 30 days.
			84 1/8 60 days.
			84 9/16 90 days.
Malayan Dollars.		53	53 1/2 T.T.
			53 9/16 O.D.
			53 7/8 30 days.
			54 3/16 60 days.
U.S. Dollars.		17 5/16	17 9/16 T.T.
(First calendar month free of penalty thereafter 1/16 down for each calendar month).			17 5/8 O.D.
			17 3/4 30 days.
			17 7/8 60 days.
			18 90 days.
Canadian Dollars.		16 3/4	17 T.T.
			17 1/16 O.D.
Australian Pounds.		1/6 7/16	1/6 13/16 T.T.
			1/6 15/16 O.D.
New Zealand Pounds.		1/2 25/32	1/3 1/8 T.T.
			1/3 3/16 O.D.
South African Pounds.		1/2 25/32	
Swiss Francs		75 1/4	
Belgian Francs		854	
West German . . .			
Deutschmarks.		72	

Buying rates for Sterling telegraphic transfers and bills may not be quoted better than for delivery ready up to two months forward and thereafter at 1/32 of a penny higher for a further three months forward.

Hongkong, May 27, 1958.

Opening and closing prices were 253/252½; highest and lowest, 253½/252½. The market was very quiet. Interest favoured sellers and aggregated 59 HK cents per 10 taels of .945 fine. Tradings averaged 4,600 taels per day

and amounted to 27,600 taels for the week, in which 7,710 taels were transacted in cash (1,310 taels listed and 6,400 taels arranged). Speculative positions averaged 6,800 taels per day. Imports from Macao totalled 8,000

taels. One shipment of 45,000 fine ounces arrived in Macao during the week. Exports amounted to 9,000 taels (7,000 taels to Singapore and 2,000 taels to Rangoon). Differences paid for local and Macao .99 fine were HK\$12.10 and 11.50 respectively per tael of .945 fine. Cross rates were US\$38.03—38.01 per fine ounce; 12,800 fine ounces were contracted at US\$38.02 cif Macao. US double eagle old and new coins quoted \$269 and 234 respectively per coin, English Sovereigns \$59 per coin, and Mexican gold coins \$275 per coin. **Silver Market:** 800 taels of bar silver traded at \$5.70—5.65 per tael, and 1,000 dollar coins at \$3.62—3.60 per coin. Twenty-cent silver coins quoted \$2.75 per five coins. **Platinum:** Prices in the United States dropped to US\$70—67 per ounce; in South Africa, £26.15s.—£25; in Hongkong, HK\$480—460 per tael.

Money Market: Following the reduction of discount rate from 6 to 5½% in London, leading banks here lowered interest rates accordingly: overdrafts to 6½—6% p.a.; credits against bonds and shares, 7½—6½% p.a.; Letters of Credit, 7—6½% p.a.; current accounts, ½% p.a.; interest on savings accounts however remains at 2½% p.a. Chinese Banks and money lenders made no reductions; their interest rates remained at 10—8% p.a. for secured loans and 15—12% p.a. for short term credits and mortgages on real estates. The market was easy.

HONGKONG STOCKS AND SHARES

Trading was on a moderate scale during the first 3½ days last week. Isolated cases of profit-taking depressed prices of some popular shares but the market was steady in general. Buyers were cautious but there was no selling pressure.

The market however suddenly activated on Friday following the an-

nouncement by the three leading British Banks to reduce interest rates by a half per cent. (In London, bank rate was reduced from six to five and a half per cent on Thursday). Many local investors had been waiting for this news since the bank rate was reduced from seven to six per cent in London earlier this year. Consequently most shares closed at a higher rate than the previous week.

Utilities retained strong demand throughout the week. Business in this section amounting to \$1.4 million accounted for about 35 per cent of the total turnover. Trams had 9,200 shares transacted and gained 30 cents; Telephones, 19,700 shares and 30 cents; Electric, 12,700 shares, 30 cents; Lights, 14,900 shares, 30 cents; Yaumatis, 650 shares, \$1; and Star Ferries had 100 shares traded at a firm price of \$113.

Lands registered a turnover of 14,300 shares; about 2/3rd of the business transacted on Friday. Realities improved to a new high at \$1.575; 95,000 shares changed hands. Hotels also reached a new high at \$19.10; 18,600 shares traded.

Wheelocks retained steady demand throughout the week; closed firm at \$6.15 but most business done at \$6 and \$6.05. Dairy Farms maintained a steady price at \$16.10 during the week; closed firmer at \$16.50. Watsons were quiet but steady. Amal Rubbers also gained to a new high at \$1.375. Textiles improved to \$4.65 after the announcement of a dividend of 60 cents, 10 cents better than that for 1956.

On the other hand, HK Banks lost another ten dollars last week; some big operators unloaded 201 shares on Thursday at \$762.50, a record low. Cements were further depressed probably due to the fact that sales of Green Island products are facing keen competition from Japanese and Chinese brands in both local and overseas markets. Docks and Providents closed

also lower than the previous week; most investors anticipate a decline in shipping and godown business this year in view of the uncertain entrepot trade.

Turnovers: Monday, \$619,000; Tuesday, \$472,000; Wednesday, \$680,000; Thursday, \$534,000; Friday, \$1,103,000.

Dividend: The Textile Corporation of Hongkong will pay a dividend of 60 cents per share for the year ended March 31, 1958.

SINGAPORE SHARES

During the week ended May 16, prices moved in all sections between narrow limits. The volume of business written was very small.

Industrials enjoyed moderate support throughout the week with market leaders scoring modest gains. Federal Dispensary improved from \$2.16 to \$2.22½ and Gammons put on four cents to \$2.04. Fraser & Neave, however, were static at \$2.50 and Jacksons eased from \$1.15 c.d. to \$1.02½ x.d. McAlisters, closing at \$1.32 after \$1.22½ earlier, recorded one of the sharpest movements in this section. Robinson Ords. at \$1.62 and Wm. Jacks at \$1.57½ were both a few cents higher than at the opening. Metal Box came in for good support which carried them up to \$1.67½ with further buyers at this level. Malayan Cement is to make a first and final call of 50 cents per share on its partly paid shares on 31st May payable not later than 30th June. The Company's Share Register will be closed from 26th to 31st May, both days inclusive, after which no transfers of partly paid shares will be made.

Tin shares had a poor week with prices drifting to slightly lower levels in most cases. Selling pressure was only light but buyers preferred to hold aloof in view of the behaviour of the metal price which closed at \$366½ after opening at \$369¼ per picul. Austral Amalgamated eased from 11/6 to 11/1½ and Austral Malay shed 1/6 to 19/-. Berjuntai were 4½d down at 12/10½ and Hong Fatt lost 4 cents to 50 cents. Ayer Hitam, on the other hand, were well supported up to 24/6 x.d. Kuala Kampar dipped to 27/4½ from 28/9 following the announcement of a 2/-d dividend in respect of the year ended 31st March last. No further dividend in respect of the last financial year will be recommended at the next Annual General Meeting. Raub Gold plummeted to 40 cents following the mine disaster which put out of action some 85% of the workings, but rallied later to close at 53 cents when it was reported that work had been resumed in modest proportions.

Rubbers were particularly dull. Only a few price movements were recorded, all of which were small, with the exception of Jimah which lost 15 cents to \$3.15. Elsewhere, movements, mainly losses, were of the

Share	May 16	Highest	Last Week's Rate	Closing	Up & Down	Dividend	Estimated Yield (%)
			Lowest				
HK Bank	775	770	762.50	765	—\$10	\$42	5.50
Union Ins	71s	71	70	71	steady	\$3.40	4.79
Lombard	30b	XD 29b	XD 28	XD 29b	+\$1	\$2	6.90
Wheelock	6.10	6.15	6	6.15	+\$5c	75c	12.20
HK Wharf	101b	104	102	104	+\$3	\$9	8.85
HK Dock	41.50b	41	40.50b	41	—50c	\$2	4.28
Provident	11.60	11.50	11.30	11.50	—10c	\$1	8.70
HK Land	32.50	32.75	32.25	32.75	+\$25c	\$2.40	7.33
Realty	1.525	1.575	1.55	1.575	+\$5c	15c	9.52
Hotel	18.70	19.10	18.50	19.10	+\$40c	\$1.50	7.57
Trams	24.80	25.10	24.50	25.10	+\$30c	\$1.90	7.57
Star Ferry	113s	113	110b	113	steady	\$9	7.96
Yaumatis	94.50b	95.50	94b	95.50	+\$1	\$7.50	7.85
Light	17.30	17.60	17.10	17.60	+\$30c	\$1.10	2.25
Electric	26.80	27.10	26.50	27.10	+\$30c	\$1.90	7.01
Telephone	26.20	26.50	26	26.50	+\$30c	\$1.50	5.66
Cement	22.10n	22	21.70	22	—10c	\$3	13.64
Dairy Farm	16.10	16.50	16	16.50	+\$40c	\$1.80	10.91
Watson	11	11s	10.80	11s	steady	\$1	9.09
Amal Rubber	1.35b	1.375	1.35	1.375	+\$2½c	20c	14.55
Textile	4.50b	4.65	4.50b	4.65	+\$15c	60c	12.90
Nanyang	8.60n	8.45	8.45b	8.45b	—15c	\$1	11.83

order of 2½ cents. This was the case with Allenby, Amalgamated Malay, Connemara and Kempas. Batu Lintang eased 5 cents to \$1.57½ and Benta shed a similar amount to close at \$1.25. Exceptionally, Ayer Panas improved from \$1.02½ to \$1.07½. Apart from market leaders, Sterling Rubbers remained friendless, local investors' faith having been sadly shaken by the Paragon Holdings affair. A petition for winding up this Company is being presented in the High Court in England by one of its subsidiaries, Kuala Muda Rubber Estates. Scotland Yard's Fraud Squad is investigating and it is understood that some 30 Companies are involved in varying degrees of importance.

The Loan section was quietly steady with a moderate turnover within quotations.

A fair amount of interest was shown in British and Australian equities, although turnover remained small.

TRADE REPORTS

Imports from China, Europe, UK, and Japan continued active last week; the volume far exceeded that of exports to these countries. Steady shipments of consumer goods to Thailand were maintained but consignments of produce to UK, Europe and Japan as well as reexports of metals, paper, chemicals, pharmaceuticals to SE Asia, Korea and Taiwan were still on a restrained scale. Exports of Hongkong manufactured goods to UK, Europe and US were heavy but shipments to SE Asia and Africa declined considerably when compared with last year.

Trade with China—Peking continued to maintain a surplus of about \$20 million every week in her trade with Hongkong by limiting purchases from here to small lots of metals and other essentials while sending here a great variety of light industrial products such as metals, cement, cotton textiles, paper, sugar, stationery, electric appliances and handicrafts in addition to steady large consignments of sundry provisions, vegetables, fruits, canned goods and frozen meat and prawns. Supply of beans and other popular items of produce however was still restricted to insignificant lots.

Trade with Japan—Dealers imported about 5,000 tons of cement, bean oil, paper, rayon products, metals, china, sewing machines, sea food and sundries from Japan, chiefly for local consumption. Reexports of Japanese sundries and other goods to SE Asia and Africa remained very quiet and showed no sign of possible improvement in the near future. Exports of produce and scrap metals to Japan were also quiet. There were more enquiries from Japan for beans and other staples following the break-up of trade talks between Japan and China but only a few transactions were concluded because buyers

considered prices high and dealers here could not get enough supplies from the Mainland.

Trade with UK—Imports of base metals and other industrial supplies, automobiles, textiles, provisions, cosmetics and other consumer goods totalled about 3,000 tons but exports of produce and HK manufactures to UK declined to a little over 1,000 tons. Although cotton goods still made up the major portion of the tonnage, the volume was much reduced recently. If exports of cotton goods to UK continue to drop, hundreds of textile workers here will become unemployed instead of being 'under-paid'.

Trade with Europe—Hongkong products constituted the major portion of about 1,000 tons of exports to Europe, mostly to West Germany. Principal items include shirts, underwear and other garments, gloves and other knitwear. Imports of factory supplies and consumer items totalling about 2,000 tons came chiefly from West Germany, Belgium, Holland and Italy.

A Dutch products exhibition was held here at the offices of B. Zuiden Van Brothers Limited in David House. Exhibits ranged from dairy products to textiles and other manufactures; many items were introduced to Hongkong for the first time. Italian manufacturers were offering to supply the local market with a great variety of goods including nylon raincoats, electric appliances, textiles, blankets, rugs, office machines and under-water sports goods.

Trade with US—Demand from US for torch, rattanware, firecrackers, plastics, shirts and garments remained strong. Purchases however were chiefly made from large manufacturing and exporting firms; most small enterprises could neither keep up the quality standard nor finance these big orders.

Trade with Thailand—Cargo movements between Hongkong and Bangkok remained active; imports of rice, teak, beans, and other staples amounted to about 4,000 tons while exports of paints, cotton yarn, paper, metals and other supplies totalled 2,000 tons. The relaxation of import control in Bangkok on items such as cement, melon seeds, joss sticks, fruits and gypsum stimulated purchases of these commodities from the local market.

Trade with Indonesia—Djakarta bought some cotton yarn from here but shipments to Indonesian ports remained quiet last week on account of the intensified civil war there.

Trade with Malaya—Shipments to Malaya and Singapore were also curtailed due to the decline in reexports from these two territories to Indonesian markets.

Trade with the Philippines—Exports to Manila further declined (only some beans and steel plates were shipped there) as Philippine authorities tightened control on imports to economize foreign exchange spending.

Trade with Korea—Seoul importers ordered mainly paper from the local market. The volume was also small

because buying offers were too low in most cases.

Trade with Taiwan—The reduction of freight charges for cargo from here to Taiwan and the allocation of import foreign exchange in Taipei for essentials such as industrial supplies, machinery and equipment did not stimulate exports from here to Taiwan because importers there still considered most quotations from HK too high and in the case of machinery and equipment, approached US and Japan for direct imports. Towards the end of last week, Taipei lifted the ban on use of self-provided foreign exchange for imports; with the exception of luxury items, there is no longer any restriction on such imports but an importer must deposit the funds in the Bank of Taiwan for at least six months before he is allowed to utilise the money for permitted imports. Overseas Chinese are allowed to ship any commodity (with the exception of luxuries) to Taiwan if covered by a government permit and retained for own use.

Trade with Cambodia—Imports of rice and other staples from Phnompenh slowed down. Exports were also quiet.

Trade with Laos—Vientiane allocated more US dollars for essential supplies but orders reached here were only for small lots of metals, cloth and construction materials.

Trade with Australia—Australia maintained a steady supply of wheat flour, fruits, frozen meat and dairy products to the local market. Exports of HK manufactures to Australia however remained on a very limited volume.

Trade with New Zealand—Exports to New Zealand remained stagnant consisting chiefly of irregular shipments of knitwear, garments and plastics. Demand for HK manufactures this year is slightly better than last year; improvements however are limited by import restrictions there.

* * * * *

Produce—Oilseeds, essential oils, beans were enquired for by Japan but most transactions fell through because dealers here could not obtain adequate supply from China at prices offered by Japan. The market was also kept active by orders from Canada for sesame; from Australia for woodoil and rosin; from Ceylon for garlic and chilli; from Singapore and Malaya for cassia, chilli and garlic; from Europe for walnut meat, camphor products and turpentine; but quantities involved were small on account of short stock here.

Metals—The market registered selective demand from China and SE Asia; interest was centred chiefly on structural steels and factory supplies. The turnover however was small because China was bargain hunting and SE Asia was buying only a few hundred tons at a time. Prices remained firm because local demand for structural steels, pipes, plates, and waste waste continued strong.

(Continued on Page 704)

EXPORTS OF HONGKONG PRODUCTS IN 1957

PART II

ELECTRIC TORCHES

Country	Quantity doz.	Value HK\$
U.S.A.	544,437	5,124,708
United Kingdom	480,387	4,603,978
Thailand	74,076	2,090,124
Indonesia	81,112	2,066,417
South Africa	116,390	2,065,090
South America, n.e.s.	97,369	1,995,164
Canada	146,529	1,912,078
Australia	94,857	1,564,111
Mexico	86,624	1,297,227
Ceylon	36,515	1,234,541
Nigeria	83,372	1,028,698
Malaya	48,900	1,023,459
India	81,364	902,234
Middle and Near East Countries	71,261	895,306
Africa, n.e.s.	56,112	840,671
East Africa, British	44,185	805,673
Philippines	64,999	785,778
Central America, n.e.s.	44,900	754,450
New Zealand	35,073	688,028
Equatorial and West Africa, French	37,250	674,040
West Africa, British, n.e.s.	51,875	622,802
Sweden	43,694	608,387
Asian Countries, n.e.s.	36,429	557,770
Italy	61,320	534,128
Venezuela	38,451	503,339
Netherlands	39,275	501,103
Belgium	45,334	447,279
Pakistan	39,469	415,930
Burma	11,758	413,177
West Indies, British	15,810	378,441
Cuba	32,536	377,637
Belgian Congo	22,919	338,424
Central African Federation	13,870	307,946
Brazil	26,283	288,750
Aden	15,887	251,670
Norway	14,324	238,036
European Countries, n.e.s.	28,345	223,591
Borneo, British	6,495	207,423
United States Oceania	10,577	204,028
Germany (Western)	19,139	179,991
Oceania, n.e.s.	6,866	178,877
Denmark	15,995	172,392
North Africa, French	11,517	122,398
Korea, South	12,430	121,839
Cambodia	10,199	121,176
Mediterranean Territories, British	7,380	115,903
Taiwan	10,547	109,100
Japan	3,265	103,215
Laos	7,070	68,517
Fiji	1,336	45,108
Mauritius	2,858	33,434
Macao	1,128	18,416
Madagascar	1,023	17,748
Haiti	974	16,287
Oceania, British, n.e.s.	660	14,500
Switzerland	1,162	14,176
Argentina	675	13,146
France	490	12,432
British Commonwealth, n.e.s.	357	7,452
China	600	3,600
Total:	2,996,024	\$41,261,343

COTTON SINGLES

Country	Quantity doz.	Value HK\$
Malaya	1,405,159	23,711,357
Thailand	82,303	2,204,892
Laos	77,729	1,510,586
Aden	71,348	1,199,294
Middle and Near East Countries	67,212	1,104,103
Equatorial and West Africa, French	100,732	965,906
West Indies, British	86,385	888,658
United Kingdom	58,436	730,378
Borneo, British	35,117	563,114
West Africa, British, n.e.s.	52,384	501,986
Indonesia	23,100	463,658
Macao	39,071	446,927
East Africa, British	45,925	366,678
Oceania, n.e.s.	24,561	343,053
Cambodia	20,239	266,291
Central America, n.e.s.	18,495	210,663
Africa, n.e.s.	16,913	176,577
Central African Federation	14,340	163,463
Australia	10,502	148,135
Mauritius	14,236	141,483
Fiji	16,043	135,686
China	1,300	110,000
Canada	8,500	103,825
Ceylon	3,750	88,051
Nigeria	5,341	84,430
Madagascar	5,888	63,583
Mediterranean Territories, British	3,664	44,735
Belgian Congo	6,300	35,492
New Zealand	2,245	32,320
Oceania, British, n.e.s.	2,267	31,768
Sweden	1,583	22,750
Asian Countries, n.e.s.	1,067	15,478
South America, n.e.s.	319	10,060
Vietnam, South	1,552	7,777
South Africa	300	5,887
France	510	5,300
Belgium	100	5,122
India	270	3,740
U.S.A.	70	3,076
North Africa, French	200	3,050
British Commonwealth, n.e.s.	145	1,908
Cuba	65	1,905
Netherlands	125	1,720
Norway	134	1,580
United States Oceania	24	730
Philippines	10	252

Total: 2,330,959 \$36,927,432

FOODSTUFFS

Country	Quantity —	Value HK\$
Malaya	—	6,686,692
U.S.A.	—	4,455,605
Borneo, British	—	1,160,011
Macao	—	897,718
Philippines	—	515,245
Laos	—	440,201
United Kingdom	—	383,595
West Indies, British	—	341,955
Vietnam, South	—	333,981
Cambodia	—	281,686
Burma	—	255,117
Canada	—	253,501

Country	Quantity —	Value HK\$
Indonesia	209,229	
Australia	199,549	
Central America, n.e.s.	172,575	
Oceania, n.e.s.	98,676	
New Zealand	96,949	
South America, n.e.s.	85,805	
Mexico	84,219	
South Africa	47,742	
Taiwan	46,230	
France	45,355	
Fiji	43,779	
Cuba	36,034	
Korea, South	28,600	
Japan	24,321	
Madagascar	23,327	
United States Oceania	21,076	
East Africa, British	20,733	
Venezuela	19,862	
Thailand	17,778	
Mauritius	16,613	
India	16,345	
Germany (Western)	16,143	
Netherlands	13,909	
Switzerland	10,859	
Nigeria	9,331	
Central African Federation	8,866	
Pakistan	6,785	
Belgium	5,001	
West Africa, British, n.e.s.	4,978	
Oceania, British, n.e.s.	4,645	
Vietnam, North	4,366	
Denmark	4,314	
Ceylon	4,229	
Egypt	3,364	
Africa, n.e.s.	3,245	
Sweden	2,125	
Norway	2,015	
China	2,010	
Italy	1,845	
North Africa, French	1,736	
European Countries, n.e.s.	1,375	
Equatorial and West Africa, French	1,225	
Aden	878	
Asian Countries, n.e.s.	864	
Belgian Congo	500	
Mediterranean Territories, British	385	
Total:		\$17,475,097

LACQUERS, VARNISHES & PAINTS

Country	Quantity lb.	Value HK\$
Thailand	4,877,266	6,078,744
Malaya	4,825,321	5,881,521
Borneo, British	1,016,630	1,215,396
Laos	787,002	1,107,014
Burma	382,708	539,892
Cambodia	129,452	258,989
United States Oceania	146,245	186,477
Taiwan	81,546	148,888
Macao	103,886	144,255
Japan	86,342	102,920
Vietnam, South	33,180	64,955
Middle and Near East Countries	39,757	53,512
East Africa, British	50,463	48,420
Philippines	37,864	47,732
West Indies, British	32,969	36,596
Korea, South	13,820	20,916
Oceania, n.e.s.	8,806	20,525
Pakistan	6,283	15,262
Nigeria	9,862	11,145
Ceylon	6,534	11,015
Central America, n.e.s.	950	2,016

Country	Quantity lb.	Value HK\$
China	500	1,300
Indonesia	480	1,209
Vietnam, North	475	1,200
Aden	400	834
New Zealand	480	795
Oceania, British, n.e.s.	465	500
Australia	108	334
Mauritius	68	143
Total:	12,679,862	\$16,002,505

EMBROIDERED LINEN

Country	Quantity —	Value HK\$
Central America, n.e.s.		3,650,152
United Kingdom		3,435,521
Venezuela		2,677,828
Germany (Western)		1,741,330
South Africa		721,723
Italy		289,785
New Zealand		289,086
Japan		276,370
Australia		249,518
Middle and Near East Countries		248,044
West Indies, British		231,994
Malaya		205,861
United States Oceania		141,137
South America, n.e.s.		134,686
Cuba		117,479
Mediterranean Territories, British		112,886
Switzerland		103,291
U.S.A.		100,072
Thailand		98,240
Africa, n.e.s.		93,045
Belgium		81,170
Canada		66,323
France		62,325
Equatorial and West Africa, French		62,321
Mexico		52,513
Netherlands		48,803
Aden		38,203
Brazil		37,172
Norway		35,793
Oceania, n.e.s.		24,218
European Countries, n.e.s.		22,815
Philippines		18,243
Sweden		18,132
Mauritius		18,102
Nigeria		16,461
Taiwan		15,769
East Africa, British		15,172
Belgian Congo		13,168
Borneo, British		12,623
Pakistan		8,887
Denmark		8,736
Ceylon		8,054
Fiji		7,387
West Africa, British, n.e.s.		6,072
North Africa, French		6,000
Indonesia		5,025
Argentina		4,894
Central African Federation		3,706
Asian Countries, n.e.s.		2,300
Madagascar		2,160
Macao		600
Vietnam, South		590
India		527
Oceania, British, n.e.s.		420
Austria		160
British Commonwealth, n.e.s.		150
Total:		\$15,643,542

METAL LANTERNS

Country	Quantity doz.	Value HK\$
Indonesia	16,473	5,895,115
Malaya	5,151	1,507,219
U.S.A.	49,820	998,126
Middle and Near East Countries	6,910	935,147
Philippines	2,989	770,999
Laos	1,269	519,386
Ceylon	2,014	498,249
Thailand	862	318,176
Burma	1,053	259,347
China	616	247,949
Borneo, British	777	227,632
Africa, n.e.s.	3,122	184,013
Canada	7,460	164,020
South America, n.e.s.	5,043	154,343
South Africa	5,765	139,336
United Kingdom	6,479	137,297
Belgian Congo	3,033	125,727
East Africa, British	3,301	108,785
Sweden	5,686	105,106
Netherlands	4,066	86,817
Oceania, n.e.s.	852	82,981
Belgium	4,186	67,548
New Zealand	2,622	63,522
Australia	2,155	60,784
Cambodia	294	58,382
Nigeria	301	51,293
Aden	307	48,053
Vietnam, South	125	47,026
Central America, n.e.s.	851	40,566
Mediterranean Territories, British	162	31,255
Germany (Western)	1,375	27,681
West Africa, British, n.e.s.	560	26,266
Venezuela	1,089	24,726
Italy	890	21,502
Cuba	643	21,046
Central African Federation	605	16,808
Equatorial and West Africa, French	348	12,015
North Africa, French	506	9,774
West Indies, British	309	9,503
United States Oceania	64	6,504
India	253	6,206
Pakistan	17	5,772
Asian Countries, n.e.s.	76	4,805
Mauritius	43	3,801
Denmark	320	3,713
European Countries, n.e.s.	190	3,262
British Commonwealth, n.e.s.	22	3,223
Norway	104	2,708
Oceania, British, n.e.s.	36	2,309
Mexico	110	1,807
Haiti	49	1,732
Taiwan	2	810
Switzerland	10	570
Macao	1	500
Total:	151,366	\$14,151,242

TOWELS, NOT EMBROIDERED

Country	Quantity doz.	Value HK\$
United Kingdom	458,713	4,116,147
Malaya	292,093	2,352,995
Thailand	77,266	1,025,329
Laos	39,882	690,156
New Zealand	51,076	607,032
Canada	40,568	588,336
West Africa, British, n.e.s.	22,784	459,501
Equatorial and West Africa, French	20,327	308,671
West Indies, British	33,257	298,547

Country	Quantity doz.	Value HK\$
Sweden	27,327	246,220
Mediterranean Territories, British	20,649	238,043
Australia	15,019	201,416
Germany (Western)	15,355	169,347
Nigeria	7,529	157,082
Oceania, n.e.s.	9,292	148,428
Central America, n.e.s.	9,447	116,814
Belgian Congo	9,393	106,823
South Africa	7,370	90,390
Africa, n.e.s.	5,531	72,989
Borneo, British	5,775	59,157
Denmark	2,416	48,177
Mauritius	6,715	46,687
Norway	4,111	39,950
Oceania, British, n.e.s.	1,755	39,711
Macao	3,025	23,390
Haiti	1,800	21,600
Middle and Near East Countries	1,270	21,119
Fiji	736	12,596
Madagascar	1,088	10,789
Burma	843	8,580
Cambodia	910	5,924
France	590	5,685
South America, n.e.s.	377	4,879
East Africa, British	310	3,250
Italy	183	3,056
United States Oceania	110	2,926
Aden	200	2,920
Central African Federation	300	2,240
British Commonwealth, n.e.s.	242	2,094
Asian Countries, n.e.s.	61	1,541
Vietnam, South	100	940
U.S.A.	21	165
Pakistan	3	76
Total:	1,195,819	\$12,361,718

ARTICLES MADE OF PLASTICS

Country	Quantity	Value HK\$
Malaya		2,843,044
Middle and Near East Countries		925,290
United Kingdom		837,379
West Indies, British		571,344
Africa, n.e.s.		551,485
Nigeria		488,109
Venezuela		432,259
East Africa, British		403,218
Thailand		330,979
Central America, n.e.s.		316,893
Ceylon		297,421
New Zealand		253,373
West Africa, British, n.e.s.		232,255
U.S.A.		218,722
South America, n.e.s.		204,099
Mediterranean Territories, British		188,337
Belgian Congo		185,960
Taiwan		169,922
Burma		136,630
Central African Federation		104,399
Aden		104,239
United States Oceania		101,814
Mauritius		98,735
South Africa		96,384
Cambodia		91,788
Australia		82,362
Indonesia		81,769
Borneo, British		66,239
Asian Countries, n.e.s.		54,735
Philippines		51,868

Country	Quantity —	Value HK\$
Oceania, n.e.s.		51,152
Fiji		47,354
Cuba		46,093
Netherlands		44,647
Macao		42,279
Canada		41,025
Sweden		32,851
Laos		30,577
North Africa, French		28,383
China		15,165
Belgium		13,758
Equatorial and West Africa, French		10,738
Haiti		9,209
Italy		9,100
Pakistan		9,018
Germany (Western)		7,918
Argentina		7,360
European Countries, n.e.s. ..		6,942
France		6,782
Vietnam, North		6,330
Oceania, British, n.e.s.		6,112
Madagascar		5,700
Vietnam, South		5,593
Mexico		3,596
Japan		3,360
India		3,298
Korea, South		1,978
British Commonwealth, n.e.s.		1,423
Norway		450
Total:		\$11,019,242

TORCH BATTERIES

Country	Quantity doz.	Value HK\$
U.S.A.	1,395,808	2,776,786
Malaya	875,161	1,675,381
Thailand	574,570	1,445,466
Middle and Near East Countries	280,724	589,655
Pakistan	261,897	491,066
Canada	205,944	425,043
Burma	164,204	366,641
Cuba	165,709	345,210
Ceylon	156,991	329,272
Cambodia	155,534	271,831
Africa, n.e.s.	121,875	237,006
Venezuela	109,754	223,818
Laos	35,825	216,995
South Africa	83,984	181,654
South America, n.e.s.	78,109	163,258
Sweden	64,936	133,908
Australia	55,748	130,882
Belgian Congo	57,430	121,710
North Africa, French	44,418	92,025
Central America, n.e.s.	40,458	91,166
Vietnam, South	33,100	79,100
West Africa, British, n.e.s. ..	29,880	61,305
East Africa, British	32,097	60,981
Oceania, n.e.s.	25,089	59,463
Nigeria	24,720	51,352
Borneo, British	22,225	50,403
New Zealand	23,411	49,922
Asian Countries, n.e.s.	21,812	45,908
West Indies, British	20,722	43,648
Macao	12,496	34,826
United States Oceania	10,776	24,977
Mauritius	11,770	24,368
Aden	8,880	17,047
Mexico	7,800	16,089
New Zealand		16,545
Oceania, British, n.e.s.	6,130	14,819
Philippines	10,490	13,749
Belgium	5,420	12,499

Country	Quantity doz.	Value HK\$
Netherlands	5,023	10,291
Mediterranean Territories, British	5,320	10,074
Equatorial and West Africa, French	2,240	4,625
European Countries, n.e.s. ..	1,650	3,560
Italy	1,450	2,985
United Kingdom	1,300	2,600
Argentina	400	840
Germany (Western)	200	420
Haiti	160	316
Central African Federation ..	120	265
Total:	5,253,760	\$11,005,205

IRON & STEEL BARS

Country	Quantity cwt.	Value HK\$
Laos	71,447	3,295,380
Thailand	45,686	2,032,237
China	32,652	1,682,984
Philippines	27,627	1,254,558
Cambodia	15,585	820,016
United States Oceania	15,878	685,807
Borneo, British	11,676	435,221
Burma	5,135	278,244
Macao	6,915	258,760
Japan	692	32,381
Australia	800	31,584
Indonesia	394	15,785
Oceania, n.e.s.	160	7,778
Oceania, British, n.e.s.	160	6,610
Total:	234,807	\$10,837,345

ALUMINIUMWARE

Country	Quantity —	Value HK\$
Malaya		2,105,703
Ceylon		643,520
Laos		636,402
Venezuela		523,847
Philippines		487,724
Central America, n.e.s.		461,049
Belgian Congo		450,523
U.S.A.		406,873
West Africa, British, n.e.s. ..		390,610
Thailand		366,831
Cambodia		302,178
Nigeria		291,051
Australia		226,072
China		206,968
Borneo, British		184,878
Macao		182,951
West Indies, British		173,674
Burma		166,057
Oceania, n.e.s.		126,397
Africa, n.e.s.		99,036
Middle and Near East Countries		73,821
Madagascar		71,847
United States Oceania		64,803
Indonesia		52,312
Oceania, British, n.e.s.		48,714
Haiti		39,335
Mauritius		29,351
Cuba		22,272
East Africa, British		21,999
New Zealand		16,545
South America, n.e.s.		16,525
Fiji		15,177
Mediterranean Territories, British		14,525

Country	Quantity	Value HK\$
Asian Countries, n.e.s.		10,837
India		6,874
European Countries, n.e.s. ..		5,398
Korea, South		4,462
South Africa		3,416
Canada		1,793
Equatorial and West Africa, French		1,725
France		1,600
United Kingdom		1,384
Taiwan		1,350
Aden		1,200
Central African Federation British Commonwealth, n.e.s.		1,027
Vietnam, South		651
		576
Total:		\$8,961,863

OUTERWEAR, EMBROIDERED

Country	Quantity	Value HK\$
Germany (Western)		1,537,491
U.S.A.		871,359
New Zealand		640,910
United Kingdom		570,014
Central America, n.e.s.		538,504
Nigeria		506,369
West Indies, British		416,908
South Africa		398,605
East Africa, British		308,626
Venezuela		305,347
Malaya		266,304
Sweden		227,541
Denmark		219,340
Central African Federation		201,730
Australia		169,629
Norway		158,561
Belgian Congo		150,037
Middle and Near East Countries		125,773
Canada		117,981
West Africa, British, n.e.s.		102,600
Oceania, n.e.s.		97,697
United States Oceania		96,029
Africa, n.e.s.		89,326
South America, n.e.s.		77,615
Mediterranean Territories, British		73,977
Equatorial and West Africa, French		66,773
Mexico		58,473
Japan		57,331
Netherlands		47,060
Thailand		40,591
Fiji		32,023
Vietnam, South		28,050
Aden		23,398
Cuba		22,503
Ceylon		16,516
France		13,302
Mauritius		12,589
India		9,568
European Countries, n.e.s. ..		8,909
Madagascar		8,714
Taiwan		6,627
Switzerland		4,505
Philippines		3,997
Belgium		3,817
Korea, South		2,300
Italy		1,910
British Commonwealth, n.e.s.		1,155
Oceania, British, n.e.s.		924
Cambodia		775

Country	Quantity	Value HK\$
Pakistan		436
Macao		260
Asian Countries, n.e.s.		252
Burma		90
Indonesia		58
Total:		\$8,741,279

VACUUM FLASKS

Country	Quantity doz.	Value HK\$
Malaya	31,108	1,986,419
Thailand	22,612	888,446
Australia	28,485	851,190
Vietnam, South	11,944	538,765
Middle and Near East Countries	9,486	479,131
Philippines	20,221	430,463
Indonesia	8,528	295,708
West, Indies, British	4,802	211,096
New Zealand	6,672	192,173
Cambodia	4,673	188,121
Africa, n.e.s.	5,297	185,274
Nigeria	3,962	183,629
Borneo, British	2,927	166,767
Madagascar	4,991	154,589
Aden	2,692	132,635
South America, n.e.s.	4,256	128,525
Central America, n.e.s.	1,963	107,143
United Kingdom	2,579	69,558
Belgian Congo	1,812	67,517
Equatorial and West Africa, French	1,602	67,145
South Africa	2,353	60,340
Ceylon	2,148	60,202
Venezuela	739	58,301
Mediterranean Territories, British	1,492	57,074
Oceania, n.e.s.	799	37,995
Canada	793	34,437
West Africa, British, n.e.s.	493	29,011
Mauritius	808	28,761
Korea, South	380	20,298
U.S.A.	174	17,827
Macao	440	15,260
Sweden	82	11,193
Burma	188	10,840
United States Oceania	110	9,572
Haiti	211	9,454
Central African Federation	320	8,344
India	53	6,092
Cuba	45	5,012
Oceania, British, n.e.s.	86	3,877
Mexico	44	3,160
Taiwan	48	2,734
Laos	74	2,252
British Commonwealth, n.e.s.	39	1,397
Fiji	24	1,136
East Africa, British	15	690
Total:	192,570	\$7,819,553

ARTICLES OF CLOTHING, EMBROIDERED

Country	Quantity	Value HK\$
U.S.A.		5,601,175
United Kingdom		532,496
Germany (Western)		411,193
Central America, n.e.s.		212,172
Italy		163,802
Switzerland		121,443
Cuba		112,348

Country	Quantity —	Value HK\$
Venezuela		85,290
South America, n.e.s.		65,634
Central African Federation		65,507
Mexico		52,301
Australia		49,987
Denmark		47,777
Malaya		27,279
France		22,803
Sweden		19,681
Middle and Near East Countries		18,995
European Countries, n.e.s. ..		15,323
West Indies, British		14,450
Belgium		11,589
Thailand		10,546
Norway		9,551
Netherlands		9,070
Oceania, n.e.s.		8,239
New Zealand		7,908
Canada		5,797
East Africa, British		5,614
Mediterranean Territories, British		5,509
Equatorial and West Africa, French		5,473
United States Oceania		4,685
Africa, n.e.s.		4,433
Laos		3,000
Argentina		2,198
Aden		2,122
Austria		1,235
Japan		1,176
Haiti		1,036
Fiji		742
West Africa, British, n.e.s. ..		679
Oceania, British, n.e.s.		450
British Commonwealth, n.e.s.		168
Philippines		152
Vietnam, South		108
Total:		\$7,741,136

CEMENT

Country	Quantity ^a cwt.	Value HK\$
Borneo, British	515,029	3,436,916
Thailand	99,107	668,972
Cambodia	87,555	629,362
Australia	49,040	340,920
Malaya	40,470	245,945
Burma	22,000	148,500
Indonesia	20,000	142,000
Oceania, British, n.e.s.	13,680	91,111
Ceylon	8,058	67,200
Macao	3,570	19,849
British Commonwealth, n.e.s.	1,600	10,575
Taiwan	1,111	9,571
China	20	195
Total:	861,240	\$5,811,116

TORCH BULBS

Country	Quantity doz.	Value HK\$
United Kingdom	921,020	670,173
India	768,336	628,606
U.S.A.	680,681	609,331
Thailand	285,511	202,559
Pakistan	288,289	199,510
South America, n.e.s.	342,215	198,783
Malaya	338,019	187,692
Central America, n.e.s.	251,519	174,642
Indonesia	196,208	120,411

Country	Quantity doz.	Value HK\$
Middle and Near East Countries	233,108	115,574
Africa, n.e.s.	187,849	91,998
Nigeria	186,401	75,067
Equatorial and West Africa, French	181,797	72,839
Argentina	125,562	65,929
Ceylon	113,912	63,108
Venezuela	103,842	58,610
West Africa, British, n.e.s.	140,822	54,680
Australia	62,318	51,097
North Africa, French	116,848	50,890
West Indies, British	81,862	47,794
Burma	86,347	39,282
Belgian Congo	75,134	37,498
Taiwan	67,269	35,184
East Africa, British	75,601	34,092
Netherlands	64,399	33,716
Philippines	87,181	33,148
Cambodia	59,594	29,927
Sweden	43,776	29,130
European Countries, n.e.s. ..	43,274	26,360
Cuba	29,907	21,483
Belgium	26,203	19,406
United States Oceania	25,274	19,134
Canada	18,868	16,126
Brazil	19,999	14,430
Mediterranean Territories, British	30,242	13,897
Mexico	16,666	13,162
Switzerland	13,589	11,234
South Africa	13,340	9,717
Vietnam, North	19,218	9,640
France	22,499	9,288
Aden	22,498	9,050
Italy	14,647	8,617
Asian Countries, n.e.s.	14,897	8,147
Central African Federation	10,955	7,289
Denmark	8,785	5,989
Oceania, n.e.s.	9,272	5,818
Laos	7,990	5,772
Mauritius	7,437	4,219
New Zealand	3,491	2,253
Germany (Western)	1,166	975
Norway	1,433	760
Fiji	999	444
Formosa, British	453	280
British Commonwealth, n.e.s.	144	56
Total:	6,548,666	\$4,254,816

UNDERWEAR & NIGHTWEAR, EMBROIDERED

Country	Quantity —	Value HK\$
U.S.A.		1,012,639
Malaya		683,751
Australia		321,491
Central America, n.e.s.		230,881
Mediterranean Territories, British		184,869
West Indies, British		171,517
Central African Federation		164,401
Germany (Western)		155,862
Africa, n.e.s.		142,810
Denmark		99,440
Canada		97,934
United Kingdom		65,200
South America, n.e.s.		60,506
New Zealand		60,163
Equatorial and West Africa, French		53,512
Sweden		52,081
Middle and Near East Countries		50,892
United States Oceania		36,453

Country	Quantity	Value
		HK\$
West Africa, British, n.e.s.	34,259	
Belgium	26,111	
Oceania, n.e.s.	25,813	
Mauritius	25,406	
East Africa, British	24,709	
Thailand	23,431	
Aden	21,875	
Norway	19,441	
South Africa	18,801	
Netherlands	15,802	
Macao	14,016	
Mexico	12,705	
Madagascar	11,205	
Fiji	10,903	
Philippines	10,553	
Belgian Congo	10,473	
Nigeria	8,112	
Ceylon	7,569	
European Countries, m.e.s.	7,108	
India	6,087	
Taiwan	5,117	
Borneo, British	3,310	
Oceania, British, n.e.s.	2,900	
Japan	1,756	
Italy	1,440	
Laos	1,227	
Korea, South	1,159	
Cambodia	1,065	
Vietnam, South	502	
France	474	
Pakistan	110	
British Commonwealth, n.e.s.	70	
Total:	33,997,911	

IRON ORE

Country	Quantity	Value
	cwt.	HK\$
Japan	2,045,616	3,887,169
Taiwan	31,906	95,718
Total:	2,077,522	\$3,982,887

CIGARETTES

Country	Quantity	Value
	lb.	HK\$
Macao	197,184	916,790
Borneo, British	93,997	425,046
Laos	78,302	396,048
Malaya	37,920	166,062
Oceania, n.e.s.	20,106	55,997
Indonesia	2,565	9,975
United States Oceania	2,673	6,794
Mauritius	1,232	6,255
Cambodia	530	2,500
Ceylon	660	2,401
Oceania, British, n.e.s.	452	2,124
Japan	58	910
Asian Countries, n.e.s.	48	240
Total:	435,727	\$1,991,142

MATCHES

Country	Quantity	Value
	case	HK\$
Malaya	2,944	445,733
East Africa, British	1,352	219,893
Middle and Near East Countries	760	76,288
Laos	300	50,390

Country	Quantity	Value
	case	HK\$
Australia	225	34,781
Cambodia	300	33,620
Borneo, British	64	11,540
West Indies, British	34	7,600
New Zealand	44	7,065
Africa, n.e.s.	18	4,556
Oceania, n.e.s.	30	4,498
Nigeria	17	4,000
Oceania, British, n.e.s.	20	3,650
Central African Federation	13	3,568
Ceylon	14	3,010
Asian Countries, n.e.s.	16	2,565
United States Oceania	11	2,141
Total:	6,162	\$914,898

SEAGRASS

Country	Quantity	Value
	cwt.	HK\$
Malaya	747	47,522
Italy	447	20,008
Germany (Western)	395	16,150
Borneo, British	116	6,769
West Indies, British	105	6,231
Australia	59	3,009
Middle and Near East Countries	22	1,550
New Zealand	26	1,346
South Africa	27	1,309
France	18	745
Austria	4	269
Denmark	2	94
United Kingdom	1	49
Total:	1,969	\$105,051

TUNGSTEN ORE

Country	Quantity	Value
	cwt.	HK\$
United Kingdom	75	31,500
Total:	75	\$31,500

WOOLLEN GLOVES

Country	Quantity	Value
	doz. pairs	HK\$
United Kingdom	600,159	10,195,696
U.S.A.	406,173	7,527,074
Germany (Western)	100,366	2,088,698
Canada	94,520	1,728,781
Sweden	59,486	1,251,586
Netherlands	55,077	1,135,070
Australia	52,763	947,860
New Zealand	16,424	320,833
Norway	11,565	247,149
Denmark	11,700	241,308
France	8,552	161,010
Belgium	6,375	142,905
Switzerland	5,074	105,189
South Africa	2,063	37,153
Mediterranean Territories, British	1,748	29,738
Middle and Near East Countries	1,793	29,011
Central African Federation	484	8,196
European Countries, n.e.s.	178	3,795
Italy	100	2,079
South America, n.e.s.	100	1,620
Malaya	37	1,077
Total:	1,434,737	\$26,205,828

COTTON GLOVES

Country	Quantity doz. pairs	Value HK\$
United Kingdom	634,244	9,605,366
U.S.A.	92,316	2,279,103
Australia	70,324	1,497,309
Canada	43,734	887,604
Taiwan	42,500	346,650
New Zealand	14,508	285,515
Sweden	12,429	244,514
Belgium	8,286	190,180
Germany (Western)	5,047	71,333
Netherlands	3,107	59,381
Thailand	9,867	44,061
Norway	2,658	43,571
Denmark	2,244	31,997
Switzerland	1,762	31,445
South Africa	1,512	18,630
Laos	1,205	18,125
Malaya	1,749	12,727
South America, n.e.s.	451	9,140
Central African Federation	436	4,515
Macao	270	4,500
Mediterranean Territories, British	310	4,380
Middle and Near East Countries	251	3,740
West Indies, British	285	2,422
Africa, n.e.s.	150	1,023
Borneo, British	100	580
France	6	292
East Africa, British	9	136
United States Oceania	2	40
Total:	949,762	\$15,698,279

NYLON GLOVES

Country	Quantity doz. pairs	Value HK\$
United Kingdom	283,547	4,721,497
U.S.A.	206,251	4,140,776
Canada	117,317	2,393,781
Australia	98,967	2,092,774
Sweden	27,984	594,117
Belgium	17,709	384,362

Country	Quantity doz. pairs	Value HK\$
Netherlands	15,705	339,563
New Zealand	13,519	268,677
Denmark	8,413	154,405
South America, n.e.s.	4,364	83,918
South Africa	4,561	82,821
Germany (Western)	3,043	60,216
Central America, n.e.s.	2,103	34,800
West Indies, British	1,405	26,819
Norway	890	23,386
Switzerland	728	15,788
Africa, n.e.s.	599	9,555
Mediterranean Territories, British	522	7,858
France	394	4,644
Malaya	186	3,272
Nigeria	140	2,672
European Countries, n.e.s.	110	2,565
Middle and Near East Countries	125	2,148
Mauritius	137	2,122
West Africa, British, n.e.s.	127	1,811
Thailand	50	1,560
Cuba	85	1,275
Venezuela	40	580
United States Oceania	20	381
Taiwan	4	288
Total:	809,045	\$15,458,431

RAYON GLOVES

Country	Quantity doz. pairs	Value HK\$
U.S.A.	9,862	161,802
United Kingdom	4,609	43,981
Central America, n.e.s.	800	13,056
South Africa	875	7,277
Sweden	150	3,600
West Africa, British, n.e.s.	55	1,045
United States Oceania	20	309
Nigeria	5	92
Total:	16,376	\$231,155

(End)

TRADE REPORTS

(Continued from Page 696)

Paper—Trading improved slightly after the arrival of more supplies from Europe, Japan and China. Orders from Korea, Taiwan and Thailand however were mostly for small lots and many transactions fell through on account of low buying offers. Local demand for various packing, printing and writing paper remained steady but the volume of consumption was also limited. Popular items included newsprint in ream, art printing, woodfree, poster, sulphite, kraft, cap, manifold, cellophane, aluminum foil, cigarette paper and duplex board.

Industrial Chemicals—The market was rather quiet with only isolated transactions of ammonium bicarbonate, petrolatum, rum arabic, lead oxide, oxalic acid, citric acid and a few other essentials. Prices were steady in general.

Pharmaceuticals—The market remained sluggish.

Cotton Yarn—Orders from Indonesia and Thailand were only for small lots of Hongkong and imported brands. Curtailed supply from Pakistan and

India as well as firmer world price for cotton however helped to keep prices firm in the local market.

Cotton Piecegoods—Hongkong grey cloth remained steady in spite of the recent decline in shipments to UK; local demand improved. Chinese and Japanese greys were weak because supply still exceeded demand. Japanese white shirting retained steady local demand and attracted small orders from Laos.

Rice—Firm cost and reduced imports kept prices steady in the local market. On the other hand, adequate stock here and increased import quota for the third quarter checked sharp price increases.

Wheat Flour—Hongkong brands were further marked down under keen competition from imported brands. More supplies arrived from Japan, Canada, Australia and US during the week.

Sugar—Improved local consumption and reduced imports from Taiwan brought about a firmer market during the week but the news of possible decline in new indents from Taipei depressed prices again towards week-end. Imports from Canton also helped to keep prices at a low level.

Cement—Strong local demand and enquiries from Thailand kept the market steady in spite of the steady imports from Japan, China and Taiwan. Dealers here are curtailing imports from Japan in view of the approaching wet season.

Hongkong Products—Hongkong will not take part in the Oregon Trade Fair (June 10 to September 17 1959) because of the commitment already undertaken to take part in the Melbourne International Trade Fair in March next year.